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LEGISLATIVE HISTORY

Public Law 85-909
H. R. 9020

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INDEX AND SUMMARY OF H. R. 9020

- Feb. 25, 1957 Sen. Watkins introduced and discussed S. 1356 which was referred to the Senate Judiciary Committee. Print of bill as introduced and remarks of Sen. Watkins.
- Rep. Celler introduced H. R. 5282 which was referred to the Interstate and Foreign Commerce Committee. Print of bill as introduced.
- Rep. Dixon introduced and discussed H. R. 5283 which was referred to the Interstate and Foreign Commerce Committee. Print of bill as introduced and remarks of Rep. Dixon.
- Feb. 28, 1957 Rep. Berry introduced H. R. 5454 which was referred to the Interstate and Foreign Commerce Committee. Print of bill as introduced.
- Apr. 4, 1957 Sen. Watkins urged passed of S. 1356.
- May 24, 1957 Rep. Evins introduced H. R. 7764 which was referred to the Interstate and Foreign Commerce Committee. Print of bill as introduced.
- June 26, 1957 Sen. Watkins urged enactment of S. 1356.
- July 8, 1957 Judiciary Committee defeated an amendment proposed by Sen. Dirksen.
- July 18, 1957 Senate committee reported S. 1356 with an amendment. Print of bill as reported. (No written report on this date).
- July 24, 1957 The Judiciary Committee submitted report. S. Report No. 704. Print of report.
- Aug. 1, 1957 Rep. Cooley introduced H. R. 9020 and Rep. Hill introduced H. R. 9021 which were referred to the House Agriculture Committee. Prints of bills as introduced.
- Aug. 2, 1957 House committee ordered H. R. 9020 reported with amendment.
- Aug. 9, 1957 House committee reported H. R. 9020 without amendment. H. Report No. 1048. Print of bill and report. (Report removed by a borrower--photo copy supplied by Mr. Flavin, Judicial Officer).
- Aug. 12, 1957 Senate passed over S. 1356 on request.
- Aug. 14, 1957 Sen. Watkins urged passage of S. 1356.
- Aug. 21, 1957 House subcommittee ordered H. R. 5282 reported with amendment.

Index and summary of H. R. 9020, cont'd:

Aug. 22, 1957 Sen. Watkins spoke in favor of S. 1356.

Aug. 23, 1957 Sen. Young submitted amendments he intends to propose.

Mar. 20, 1958 Senate made S. 1356 the unfinished business.

Mar. 21, 1958 Senate began debate on S. 1356.

Mar. 24, 1958 S. 1356 was referred to Senate Agriculture and Forestry and Senate Judiciary Committees with instructions to report by April 21, 1958.

Apr. 21, 1958 Senate Agriculture and Forestry Committee ordered S. 1356 reported with an amendment in the nature of a substitute.

Apr. 22, 1958 Senate committees reported S. 1356 with amendments. S. Report No. 1464. Print of bill and report.

May 1, 1958 Senate passed over S. 1356 at the request of Sen. Talmadge.

May 7, 1958 Rules Committee reported resolution for consideration of H. R. 9020. H. Res. 559, H. Rept. No. 1697. Print of resolution and report.

May 14, 1958 Senate made S. 1356 its unfinished business.

May 15, 1958 Senate passed S. 1356 with amendment.

July 15, 1958 House subcommittee tentatively agreed to certain amendments to H. R. 9020.

Aug. 12, 1958 House passed H. R. 9020 under suspension of the rules.

Aug. 16, 1958 Print of H. R. 9020 as passed by House and print of S. 1356 as passed by Senate.

Aug. 22, 1958 Senate passed H. R. 9020 without amendment.

Sep. 2, 1958 Approved: Public Law 85-909.

HEARINGS: Senate Committee on the Judiciary on S. 1356; May 1, 2, 3, 7, 8, 9, 10, 15, and 22, 1957.
Senate Jt. Committees on Agriculture and Forestry and the Judiciary on S. 1356; April 17, 1958.
House Committees on Interstate and Foreign Commerce and the Judiciary on H. R. 5282; June 5, 6, 7, 14, and July 26, 1957.

DIGEST OF PUBLIC LAW 85-909

PACKERS AND STOCKYARDS ACT AMENDMENTS. Amends the Packers and Stockyards Act of 1921 so as to provide as follows:

Places all livestock transactions in interstate commerce under the exclusive administrative jurisdiction of this Department with discretion in the Secretary of Agriculture to require registration of persons engaging in the business of conducting such transactions away from posted stockyards, and places in the Federal Trade Commission exclusive administrative jurisdiction over all products handled by meatpackers other than livestock, meat, meat food products, livestock products in unmanufactured form, poultry and poultry products.

Gives the Federal Trade Commission primary jurisdiction over all transactions in interstate commerce in oleomargarine and over retail sales of meat, meat food products, livestock products in unmanufactured form and poultry products. Primary jurisdiction of practices of packers in the slaughtering of livestock and the processing and wholesaling of meat and meat food products remains in the Department.

Gives the Federal Trade Commission jurisdiction under certain circumstances in the processing and wholesaling of meat and meat food products where it is necessary for the Commission to have such jurisdiction to exercise its authority in the retail field.

Gives the Department jurisdiction under certain circumstances over packers in the retail field where such jurisdiction is necessary to avoid impairment of the Department's authority in the field of slaughtering livestock and processing and wholesaling meat and meat food products.

Provides that if the Department or the Commission determines that is necessary for it to exercise jurisdiction in the field of activity primarily assigned to the other agency, it shall give notice to such agency of the determination, and the reasons therefor, and the acts or transactions involved and shall not exercise such jurisdiction if the other agency notifies it within ten days from the date of receipt of such notice that there is pending in such agency an investigation of, or proceeding for the prevention of, an alleged violation of the Act involving the same subject matter.

Contains a provision that the Secretary shall maintain within the Department a separate enforcement unit with respect to Title II of the Act, which provides for the regulation of packers.

85TH CONGRESS
1ST SESSION

S. 1356

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1957

MR. O'MAHONEY (for himself and Mr. WATKINS) introduced the following bill;
which was read twice and referred to the Committee on the Judiciary

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (6) of section 5 (a) of the Federal
4 Trade Commission Act, as amended (66 Stat. 632: 15
5 U. S. C. 45 (a) (6)), is amended to read as follows:

6 “(6) The Commission is hereby empowered and di-
7 rected to prevent persons, partnerships, or corporations, ex-
8 cept banks, common carriers subject to the Acts to regu-

1 late commerce, and air carriers and foreign air carriers sub-
2 ject to the Civil Aeronautics Act of 1938, from using unfair
3 methods of competition in commerce and unfair or deceptive
4 acts or practices in commerce.”

5 (b) Section 2 (a) of the Packers and Stockyards Act.
6 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
7 182), is amended by striking out:

8 (1) from the title thereof, the words “meat food
9 products”, and the words “livestock products”;

10 (3) paragraph (5) thereof;

11 (c) Section 2 (b) of such Act (7 U. S. C. 183) is
12 amended by striking out the words “and meat-packing in-
13 dustries, whereby livestock, meats, meat food products, live-
14 stock products, dairy products, poultry, poultry products, or
15 eggs,” and inserting in lieu thereof the words “industry,
16 and whereby livestock,”.

17 (d) Title II of such Act (7 U. S. C. 191-195) is
18 repealed.

19 (e) Sections 401 and 403 of such Act (7 U. S. C. 221,
20 223) are amended by striking out, in each such section
21 wherever they appear, the word “packer”, and the words
22 “Packer or any live poultry dealer or handler,”.

23 (f) Section 502 (a) of such Act (7 U. S. C. 218a (a))
24 is amended by striking out the words “packers as defined

1 in title II of said Act and railroads", and inserting in lieu
2 thereof the words "a railroad".

3 (g) Section 502 (b) of such Act (7 U. S. C. 218a
4 (b)) is amended by inserting, immediately after the words
5 "this Act", the words "or the Federal Trade Commission
6 Act."

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

By Mr. O'MAHONEY and Mr. WATKINS

FEBRUARY 25, 1957

Read twice and referred to the Committee on the
Judiciary

Israeli, who acted in the defense of the area which was assigned to them after the Turkish Empire was conquered in World War I.

The land which constitutes the Nation of Israel was not within the boundaries of any independent Arabian state when the State of Israel was established. When the Arabians were driven out, they were driven out by their own people, not by the Jews. Ever since that time, the Egyptians and other Arabs have been doing their best to destroy the independent, popular government of Israel.

The President has told us that this Government is committed to human freedom; and the resolution provides:

That the President be and hereby is authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East desiring such assistance in the development of economic strength dedicated to the maintenance of national independence.

How does it come about, Mr. President, that we are talking about applying sanctions to the only free nation in the Middle East, with the exception, perhaps, of Lebanon, which is on the eastern shore of the Mediterranean Sea? We know that Egypt is supported by Communist arms. We know that of the oil pipelines which go through Syria, at least one has been sabotaged in that country.

How can we think we are defending human freedom when we are asked to pass a resolution so vague and so uncertain as Senate Joint Resolution 19? How can anyone believe that this is a resolution which would frighten any inhabitant of the Kremlin? We shall have to have a policy before we can frighten the Kremlin.

We have got to have a policy; not merely time in which to make one up, as the conclusion of the report of the Senate Committees on Foreign Relations and Armed Services tells the Senate. I think it is about time, Mr. President, that we should get busy and make a policy, and not try to submit the Members of the Senate to pressure to pass a resolution in such vague and indeterminate language as is contained in the resolution before us.

I yield the floor.

Mr. CASE of South Dakota. Mr. President, in view of the many times during the debate on the pending resolution that the question of the constitutional powers of the President have been discussed, and in view of the place which that subject has had in some of the discussion this afternoon, I ask unanimous consent to have printed at this point in the body of the RECORD a letter written by James Hart, professor of political science at the University of Virginia, to the editor of the New York Times, and published in the New York Times of today.

Mr. JOHNSON of Texas. Mr. President, did I understand the Senator to say that the letter pertains to comments which the Senator has made?

Mr. CASE of South Dakota. The letter deals with the constitutional arguments about the powers of the President and makes a suggestion of a possible clause relating to them.

Mr. JOHNSON of Texas. The Senator from South Dakota has answered my question. I have no objection.

Mr. WATKINS. I am delighted, Mr. President, that the Senator from South Dakota has seen fit to have the letter printed in the RECORD. It is a very interesting commentary on the discussions with respect to the war-making power of the President under the Constitution.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO BACK PRESIDENT'S ACTS—REMOVING ALL LEGAL DOUBT OF HIS COMMAND POWER SUGGESTED

(The writer of the following letter is the author of The American Presidency in Action: 1789. He is professor of Political science at the University of Virginia.)
To the EDITOR OF THE NEW YORK TIMES:

If after prompt, unequivocal and overwhelming authorization of the use by the President of the Armed Forces to repel overt Communist aggression in the Middle East the Democrats on the Foreign Relations and Armed Services Committees take poor Secretary Dulles to task for his Middle East blundering, they may render a public service.

When, however, they blunt the warning to the Soviet Union which the President's request for that authorization envisages, as they patently are doing by the poor timing of their criticism, by their delay, and by their quibbling over the wording of the proposed resolution, their conduct must regrettably be pronounced nothing short of irresponsible.

Apparently the administration inaugurated the proposal by trial balloons rather than by consultation with leading Members of the Senate. That was unwise. But surely even Members of that exclusive club are not justified in putting amour propre above the national interest.

ARGUMENTS EVALUATED

The constitutional arguments which are used to justify refusal to endorse the crucial word "authorize" are summed up in the bombastic dilemma that if Congress has the power it may not delegate it to the President, while if the President has the power it will weaken him constitutionally and politically for Congress to share his responsibility. This dilemma is a superficially plausible rationalization of a position rather than a necessary legal conclusion.

May Congress delegate its power to declare war to the President? On January 26, 1799, Alexander Hamilton, who was a fairly good constitutional lawyer, wrote to Harrison Gray Otis: "I should be glad to see, before the close of the session, a law empowering the President, at his discretion, in case a negotiation between the United States and France should not be on foot by the first of August next, or being on foot should terminate without an adjustment of differences, to declare that a state of war exists between the two countries, and thereupon to employ the land and naval forces of the United States in such manner as shall appear to him most effectual for annoying the enemy, and for preventing and frustrating hostile designs of France, either directly or indirectly through any of her allies."

In his opinion for an almost unanimous Supreme Court in *United States v. Curtiss-Wright Export Corp.*, decided in 1936, Justice Sutherland said: "Practically every volume of the United States Statutes contains one or more acts or joint resolutions of Congress authorizing action by the President in respect of subjects affecting foreign relations which either leave the exercise of the power to his unrestricted judgment or provide a standard far more general than that which has always

been considered requisite with regard to domestic affairs."

Does the President as Commander in Chief have the unlimited power to employ abroad the Armed Forces of the United States so as deliberately to bring us into an armed struggle with a great power if only he does not call it a war?

TRUMAN ACTION

The conclusion that he does is logically inconsistent with the possession by Congress of the expressly delegated power to declare war, if that power is to be given substantive meaning and is not to be nullified by a semantic quibble. It has been fashionable to ignore the fact that the power to declare war logically sets some limits to the command power ever since President Truman went to the aid of South Korea without asking Congress.

That he was authorized to do so is highly doubtful. The actions of Congress in backing up his intervention may be taken either as tacit ratification or, less plausibly, as tacit admission that he had had the power.

That the President may have to act upon dubious legal grounds in a grave emergency and depend upon later action of Congress for legal validation is clear. Yet the present is an instance in which anticipatory delegation is to be preferred to retroactive ratification because of its deterrent effect.

Anticipatory authorization might weaken the Presidency if the President had the undoubted power to act without it. In this case the claim that it would do so ignores the fact that the line between the President's command power and the power of Congress to declare war is one of uncertainty. That uncertainty makes it highly important that Russia and all the world should know that Congress has acted to remove it with respect to the President's authority to meet Soviet aggression in the Middle East with instantaneous use of the Armed Forces.

If the Senators desire to do so they can readily find language which will have the dual effect of removing all legal doubts and of saving the constitutional claims of Congress and of the President in the premises. They could use the word "authorize" and put in parentheses after it some such words as ("so far as such authorization may be constitutionally necessary for that purpose").

This would put the President in a legal position to act at once without having to go to Congress first, at the same time that it avoided taking any position on the delicate question how far his action would depend upon his own authority and how far the congressional authorization.

As a Democrat I am proud of the statesmanlike support of the President by ex-President Truman and by the House of Representatives. As a Democrat I am equally shocked by the partisanship of eminent Democratic Senators and the encouragement to such partisanship given by Dean Acheson.

JAMES HART.

CHARLOTTESVILLE, VA., February 17, 1957.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF ANTITRUST LAWS

Mr. WATKINS. Mr. President, in a free enterprise economy, the most effective regulator of economic activity is competition. Operating through the

market forces of supply and demand, competition is the best and most effective device for allocating resources to the production and subsequent sale of the goods or products for which demand is greatest. Also, competition in the market for consumer preference is the best guarantee for improving product quality and maintaining prices which are fair to both producer and consumer.

As the economy has become more and more complex, so has the nature of competition. In some industries a relatively small number of firms have come to dominate economic activity. In some cases, this has been due to superior management and business skill. In other cases, it appears to have been the result of competitive practices which are not commensurate with the public interest. Price manipulation and unfair trade practices have been used to eliminate competition and to render neutral the forces of supply and demand.

The public has come to expect and demand that Government reinstate, where possible, and maintain by law as much competition as the public interest necessitates in the areas of the economy in which it works badly or where little of it exists. This public concern is reflected in the platforms of both political parties. It is a matter of bipartisanship.

For example, the 1956 Republican platform declares:

The Republican Party has as a primary concern the continued advancement of the well-being of the individual. This can be attained only in an economy that, as today, is sound, free, and creative, ever building new wealth and new jobs for all the people.

We believe in good business for all business—small, medium, and large. We believe that competition in a free economy opens unrivaled opportunity and brings the greatest good to the greatest number.

The Republicans also at that time pledged themselves to "a continuously vigorous enforcement of antitrust laws"—page 7.

On the other hand, members of the Democratic Party at their 1956 convention pledged themselves to maintaining "competitive conditions in American industry," and likewise "to the strict and impartial enforcement" of the laws "designed to prevent monopolies and other concentrations" of economic power—page 18.

Thus, both of our major political parties are committed to the objective of maintaining a free and expanding economy by fostering the growth of competition. For this reason, among others, I am happy to join with my good friend and esteemed colleague from across the aisle, the Senator from Wyoming [Mr. O'MAHONEY], in sponsoring the bill to prevent monopolistic acts or practices, and other unlawful restraints in interstate commerce by persons engaged in processing and distributing meat and meat products. This the bill does by—

First. Amending the Federal Trade Commission Act so as to return to the Federal Trade Commission jurisdiction over the meat packing and distributing industry.

Second. Amending the Packers and Stockyards Act so as to eliminate the authority the United States Department

of Agriculture has to exercise regulations over packers, but which it has not exercised for over 30 years.

Similar proposed legislation, I understand, will be introduced in the House of Representatives by my fellow Utahan, Representative H. ALDOUS DIXON, and possibly other Members, as well. Except for certain perfecting amendments, the bill Senator O'MAHONEY and I are sponsoring is identical to S. 4177, which I introduced in the 85th Congress.

Before discussing in detail my reasons for cosponsoring the bill, I wish to make a few general observations about it. Although it repeals the jurisdiction of the Secretary of Agriculture over packers, as authorized in title II of the Packers and Stockyards Act, it leaves undisturbed the jurisdiction of the United States Department of Agriculture over the operation of stockyards, which is contained in title III of that act, as well as his special jurisdiction over dealers and handlers of live poultry, which is provided for in title V.

I also want to make it plain that no packer, large or small, or other business firm engaged in slaughtering or processing meat products has anything to fear from the return of this authority to the Federal Trade Commission, provided their business behavior and trade practices conform to the norms outlined in the antitrust laws, which are designed to maintain and foster competition.

Likewise, my action should not be construed as an attack upon big business. Bigness per se is not to be condemned. In fact, many of the comforts of everyday living which we all enjoy are made possible by economies of production which only large-sized firms can achieve. Only when big business uses its superior bargaining power and economic resources in a manner not consistent with the public interest—in this case, to eliminate competition by unfair means—is it to be condemned.

By the same token, in cosponsoring this bill, I do not intend to cast reflection upon any particular firm now doing business in the slaughtering or meat-processing industry. Rather, I have been prompted to join Senator O'MAHONEY in sponsoring this proposed legislation for two major reasons:

First, in light of the poor economic position in which most livestock producers find themselves, I believe it is imperative that proper scrutiny be maintained over the trade practices of firms slaughtering livestock and processing and distributing meat products, so as to permit the existence of as many marketing alternatives for producers as the nature of the industry will permit. Fair competitive bidding should give producers higher prices than otherwise would be the case. And such competition can exist only where producers have marketing alternatives.

Second, I believe it is in the public interest that Federal Trade Commission control be extended over packers which enter into other sideline business—businesses which now escape such control because of Department of Agriculture inaction, but whose competitors are subject to FTC control. The same need for

public control applies to food firms, especially food chains, which now can acquire packing plants, or a substantial interest in one, and thus escape FTC supervision over their entire operations.

I shall discuss these two reasons in some detail at this point:

Mr. President, some 4 to 6 or 7 million farmers, ranchers, and stockmen produce meat animals for market. With respect to cattle, the bulk of such animals are marketed during a period of a few weeks each fall. Most producers, especially those in the great western range States, must market their animals at that time, regardless of the prices offered, because they either do not raise enough feed to carry the stock until prices are more to their liking, or they cannot afford to buy feed for that purpose. A great number—essentially the small operators—must sell at that time in order to meet pressing financial obligations. As we know, most ranchers operate on a basis of "borrow it in the spring, and pay it back in the fall." Still others must sell during the fall marketing season in order to meet the costs of daily living.

In recent years, these forced fall marketings have been even heavier than normal, because of the effects of drought and the cost-price squeeze. High livestock numbers, caused by excessive feed-grain production on lands diverted from wheat and cotton production under the price support and acreage allotment and marketing quota programs, also have contributed to heavier marketings and low prices. Such circumstances have served virtually to eliminate any bargaining power which producers might have had under more normal conditions.

On the buyers' side of the market, however, we find, by way of contrast, that less than 500 federally inspected plants—which for the most part are not individually owned firms, I may add—and less than 1,000 nonfederally inspected plants are engaged in slaughtering and meat processing. It also should be noted that 10 national concerns which own the bulk of these plants, slaughter approximately 50 percent of the cattle, 60 percent of the calves, 70 percent of the hogs, and 77 percent of the sheep coming under Federal inspection.

In an industry where the buyers are few in number and the sellers are great in number, it is evident that the buyers are in a position to set the prices they will pay, and the sellers have only the option of taking it or leaving it. Where all the dictating as to price is done by the buyers, it behooves us to maintain as many market outlets as possible for livestock producers, who obviously, at best, have a very poor bargaining position. Also, in an industry where the buyers' side of the market is dominated by a few national-operative concerns, this is not an easy task.

In such a situation, which now prevails, it is in the public interest—which is commensurate with that of the livestock producer, the consumer, and the independent packer—to insure that unfair trade practices do not lead to greater concentration by elimination of competition. In this connection, I point to the

1956 platform of the Republican Party, which pledged "the continuation and improvement of our drive to aid small business." "Small business," the platform added, "can look forward to a continuously vigorous enforcement of antitrust laws."

Enactment of this bill will clearly facilitate such enforcement, which now is lacking, so far as prevention of unfair trade practices is concerned, in the meat packing and processing industry.

I am well aware of the fact that the bill is backed by, among others, an association representing in the main small independent packers who slaughter about 70 percent of the livestock in 9 Western States, including my own State of Utah. These independent packers are concerned about the entry of the national packers—especially the Big Ten, which account for 77 percent of the meat animals slaughtered in the United States—into the markets of these 9 States.

I am equally aware of the fact that another association which represents, by and large, the interests of these national packers is actively and openly opposed to this bill and has used its influence to keep such proposed legislation from being introduced.

For these reasons, I wish to make it very plain that the provisions of the bill will be enforced by the Federal Trade Commission just as vigorously against an independent packer engaged in unfair trade practices as they will against a national packer. On the other hand, I want to reiterate that no packer, large or small, has anything to fear if the bill becomes law, unless it is engaged in unfair trade practices.

Taking the meatpacking industry as a whole, my concern is that no packer or distributor, big or small, independent or national, take unfair advantage of the already weak bargaining position of the livestock producer. The marketing arrangement which economists call monopsony is characterized by few buyers and many sellers. This situation is descriptive of the meat packer-producer relationship. Under a monopsony, if all the buyers within trucking or shipping distance are owned by the same parent company, or if they are owned by but one or two such companies, the seller, as a result of a common policy, in the first instance, and price leadership, in the second instance, is not likely to get for his animals a fair price, which is the result of competitive bidding. Thus, generally speaking, the producer might just as well sell to the closest plant and take what he can get.

Where such a situation exists, or where there is only one packing plant or other buyer, it certainly would be in the best interests of livestock producers to insure the prevention of unfair trade practices which could prevent the entry of competitors, or would serve to eliminate or control existing competitors. The Department of Agriculture is not supplying such regulation, supervision, or enforcement today, nor has it for over 30 years. How could it, when such responsibility is literally buried in the trade practices section of the Packers and Stockyards Branch of the Livestock Division of the

Agricultural Marketing Service? Yes; I mean literally buried and forgotten, since this section, which is expected to control unfair trade practices by economic giants, is staffed here in Washington by two marketing specialists and a stenographer. Yes, I said two marketing specialists and a woman stenographer. Although, in addition, the Packers and Stockyards Branch has 20 field offices, most of their employees are engaged in activities relating to the regulation of stockyards only.

This is not to be deemed criticism of the personnel of the trade-practice section, but it is meant to be criticism of the almost complete lack of action in the past, under several national administrations, to comply with the congressional mandate given the Department of Agriculture to prevent unfair trade practices in the meat-packing industry. The simple facts are that the Department of Agriculture has no enforcement staff for administration of the fair-trade practices provisions of the act relating to packers. It cannot even investigate complaints, let alone take effective action. The Packers and Stockyards Branch does not even require packers to report losses on their meat operations; yet such information oftentimes is essential to the detection of unfair trade practices. Under such circumstances, a concern could absorb substantial losses in a particular area in order to eliminate competitors, and could make up the difference in other areas, or in sideline enterprises which it might operate.

In a given situation where there were several packers, including independent firms, a livestock producer might not receive much higher prices than would be the case if only one were to bid for his animals. But this much is certain: the prices he could expect to receive would not be any lower than those he otherwise would receive if he were limited to a single buyer; and if there is really competitive bidding, there is a good chance that such prices would be higher.

Opponents of the bill have voiced opposition on the ground that there is no monopoly in meat packing. This is a truism. Another is that "there is no use to lock the barn door after the horse is stolen. No; the problem is not one of correcting monopoly; rather, the problem is one of preventing unfair trade practices which will serve to eliminate competition and thus create, or tend to create, monopoly control. Should the latter happen, it is equally certain that livestock producers will receive lower prices than would be the case if competition existed."

Mr. President, transfer of control over packers from the Federal Trade Commission in 1921 to the United States Department of Agriculture, and subsequent nonenforcement since then by that Department, have given rise to another situation, which in my judgment warrants return of this authority to the Federal Trade Commission.

Many packers own and operate other types of business enterprises besides packing plants. Yet these businesses now are not subject to Federal Trade Commission control over unfair trade

practices, because the parent concern is a packer, although non-packer-owned competitors are subject to such Federal Trade Commission control. This gives an unfair advantage to packer-owned, non-meat-processing businesses. An example of this situation is provided in a case identified as Docket No. 6409. This is a case in which the Federal Trade Commission brought an action against a large national packer for alleged false advertising in connection with the sale of oleomargarine. The action had to be terminated on March 30, 1956, because the company involved was a packer, exempt from Federal Trade Commission jurisdiction by reason of the Packers and Stockyards Act.

This practice by packers has, in turn, led food chains and other nonpacker firms to buy a small interest in a packing plant or similar processing facility. Such action enables them to qualify as a packer and to escape Federal Trade Commission enforcement of unfair trade practices carried on by their related enterprises; and through the United States Department of Agriculture's nonenforcement of the Packers and Stockyards Act, the trade practices carried on by their newly acquired packing plants also escape supervision. Such a situation is well illustrated by the United Corporation, and others, against FTC, case—110 Federal, second, 473. In this instance, action was brought against the corporation which then was engaged in the sale and distribution of canned meat products. After the Federal Trade Commission had filed its petition, the defendant corporation acquired an interest in several packing companies. It then filed a motion for dismissal of the Federal Trade Commission complaint, on the ground that it was a packer, and thus was not subject to the jurisdiction of the Federal Trade Commission. In granting the defendant's petition, the court said:

The Commission, while virtually conceding that petitioner at the time of the entry of its order came within the definition of a packer as contained in the Packers and Stockyards Act, contends that it had jurisdiction because petitioner had not acquired that status at the time of the filing of the petition before it. The facts as to this are that the petition was filed March 31, 1937. Petitioner acquired 20 percent of the stock of Montel, Inc., April 12, 1937, and 20 percent of the stock of Emmart Food Products Co., May 1, 1937. The order was not entered until August 2, 1939. As early as 1936, petitioner had entered into a contract entitling it to a one-fifth interest in the business of Montel, which was then operating as a partnership.

When petitioner here, by acquiring stock in Montel, Inc., and Emmart Food Products Co., became a packer within the meaning of the Packers and Stockyards Act and subject to the jurisdiction of the Secretary of Agriculture, the Trade Commission had no further power of regulation over it; and the fact that the Commission may have been considering regulation under a complaint theretofore filed is immaterial.

For the reasons stated, the order of the Federal Trade Commission will be set aside for lack of jurisdiction over the business of petitioner.

Without doubt, such action by food firms has stimulated the action taken by national packers to seek relief from a

36-year-old consent decree they signed in 1920, which prevents them from handling some 140 other food and non-food products. Such relief is essential, they say, if, under the circumstances, they are to compete on favorable terms with food chains which have and are acquiring packing plants.

The history of the consent decree and its effect upon Federal control of unfair trade practices in the meat-packing industry is indeed interesting. In the years prior to 1921, and before passage of the Packers and Stockyards Act, the Federal Trade Commission's investigation of packers resulted in the filing of antitrust suits by the Justice Department against some five national packers. Apparently, rather than to face prosecution, these packers signed a consent decree which since then has prevented them from—

First, dealing in 140 food and non-food products, chiefly vegetables, fruit, fish, and groceries.

Second, using their distribution facilities for the handling of any of these 140 products.

Third, owning and operating retail meat markets.

Fourth, dealing in fresh milk or cream.

In 1921, when the Congress was considering passage of proposed legislation to regulate stockyards, the national packers, which had signed the consent decree, were able to convince Congress that prevention of unfair trade practices in that industry should be transferred from the Federal Trade Commission to the Department of Agriculture. Materials now being circulated in opposition to the bill which Senator O'MAHONEY and I have introduced, list four reasons why a transfer was desirable then, and why such authority now should remain with the United States Department of Agriculture. The reasons given are—

1. Meat packing, being at the time the country's largest single industry, was of sufficient importance to warrant establishment of a separate, specialized agency.

2. The Federal Trade Commission was an investigative rather than an administrative body, and hence did not have the power or the specialized knowledge necessary to do an effective job of administration.

3. Inevitably, there would be overlapping of jurisdiction between the Department of Agriculture and the Federal Trade Commission, and much confusion thereby created.

4. The Department of Agriculture had in existence the necessary bureaus and personnel to undertake administration of the act. Moreover, existing personnel were well equipped to undertake supervision of the complicated relationships characteristic of the livestock and meat industry.

Regardless of the merits these arguments may have had in 1921, it is evident from what I have already said that 36 years of ineffective administration or nonenforcement render them completely valueless today. Experience clearly indicates that the Congress made a mistake when it transferred authority to regulate trade practice of packers from a specialized agency handling antitrust matters to the United States Department of Agriculture, which did not then, and does not now, have a separate regulatory agency. Indeed, regulatory activities of the United States Department of Agriculture

are scattered piecemeal throughout its various agencies.

Mr. President, a short review of United States Department of Agriculture experience in the administration of the Packers and Stockyards Act will make this conclusion even more obvious. Originally, the United States Department of Agriculture did establish a separate agency to administer the act. In 1924, however, this agency was abolished; and responsibility for administration was placed in the Bureau of Animal Industry—a research agency—until the reorganization of the Department in the fall of 1953.

As a result of the 1953 reorganization, enforcement of the provisions relating to unfair-trade practices today is lodged in the trade practices section of the packers and stockyards branch of the livestock division of the Agricultural Marketing Service. This section, I repeat, is staffed at the Washington level with just 3 people—2 agricultural marketing specialists and a stenographer; and in the field, by a handful of people. The odds against their being able to regulate the activities of economic giants the size of many of these national packers and food chains are many times greater than the odds David faced in his battle with Goliath. What more effective way is there to escape proper public regulation than to transfer such control from an effective and specialized agency, such as the Federal Trade Commission, to another agency and department, and insure its burial in a three-employee section? A handful of people, in effect, are charged with regulating the third largest industry in the country.

Under such circumstances, it should be very plain that if the national packers obtain relief from the consent decree, and if the Federal Trade Commission is not given back its original authority to prevent unfair-trade practices in this industry, the result could have dire consequences for the public welfare. Small businesses in the meatpacking and wholesale and retail grocery industries can and may well fail in droves. Livestock producers, as well as producers of other food products, could expect to see their already weak bargaining positions further destroyed. The consumer, too, would face the prospect of growing monopoly control over the higher prices he might be forced to pay.

Mr. President, testimony received last June 21 by the Judiciary Committee's Subcommittee on Monopoly and Antitrust reveals a record of ineffective administration and nonenforcement of the provisions relating to packers contained in the Packers and Stockyards Act. One witness reported going to the Chief of the Packers and Stockyards Branch in 1953 for the purpose of filing a complaint against a national packer. The head of that Branch asked him not to file the complaint, so that he personally could contact the alleged violator and obtain his promise of future compliance, since he had neither the staff nor the funds with which even to investigate the complaint, if it were formally filed. The same witness indicated that his organi-

zation had given up going to this Branch because it never took action on any complaint it had filed.

In spite of these facts, the association which opposes the transfer of packer control to the Federal Trade Commission states in printed matter being circulated against this bill that "the same factors which influenced the decision in 1921 should have an important bearing on the issue today." One of these factors, as I have pointed out—which the same group in 1921 said warranted transfer of the controls to the United States Department of Agriculture—was that the Federal Trade Commission "did not have the power or the specialized knowledge necessary to do an effective job of administration." This factor now seems to dictate return of that authority to the Federal Trade Commission.

The desire of the national packers to give such control to the United States Department of Agriculture in 1921, and their desire now to keep it there, seems predicated upon the common knowledge that the Federal Trade Commission is an effective and efficiently operated agency. Too effective Federal Trade Commission administration, so far as they were concerned, lead to the consent decree, which lead to the transfer to the United States Department of Agriculture, and now seems to be the basis of their opposition to return that authority to the Federal Trade Commission. It is now amply clear, quite to the contrary of such assertions, that the United States Department of Agriculture personnel at the time of the transfer in 1921 were not "well equipped to undertake supervision of the complicated relationships characteristic of the livestock and meat industry." Nor are they well equipped for that role today.

On the other hand, it is certain that if the Congress is ever going to be able to get effective administration of the laws it passes, it must recognize the need to group similar functions together for administrative purposes. Sound principles of organization dictate the reasonableness of this position. We have only ourselves to blame when we establish an independent agency, such as the Federal Trade Commission, to carry out a specific function such as the prevention of unfair-trade practices, and then proceed to dismember that agency by transferring its functions to other agencies and departments not equipped or staffed to do the job.

I have heard the argument that packers are a vital part of agriculture, and that, as such, the United States Department of Agriculture should be responsible for preventing unfair-trade practices in that industry. If this be so—although all logic is against it—then, by parity of reasoning, all other processors of agricultural products are also vital parts of agriculture, and such authority over them also should be exercised by the United States Department of Agriculture. It likewise is difficult for me to understand why such an argument also did not apply when the United States Department of Agriculture recommended that the Farm Credit Administration be

transferred out of the Department and established as an independent agency. Certainly credit is just as vital to agriculture as meat packing.

I hope the Department of Agriculture will take a favorable position on this bill, since its passage clearly is in the best interests of the clientele it was established to help—namely, farmers, ranchers, and stockmen.

But there is another basic reason why the authority to prevent unfair trade practices in the packing industry should be returned to the Federal Trade Commission, where Congress originally placed it. Because of 36 years of nonenforcement, title II of the Packers and Stockyards Act has never been litigated. The courts, therefore, have never been called upon to interpret the broad language which it contains. So from a practical standpoint, and in light of the seriousness of the situation, it might be several years before title II is litigated, so that effective action can be taken against alleged violators of the unfair-trade practices provisions of that title.

In the meantime, if the national food chains and other food firms continue to acquire packing plants and thus escape Federal Trade Commission jurisdiction entirely, and if the national packers concerned get out from under the consent decree, this situation would result—

First, a few large or giant firms would be able to set the prices received not only by the producers of livestock products, but also by the producers of a great many other farm products, and the prices paid by the consumer, at the other end.

Second, the same few giant concerns would be able to eliminate thousands of small businesses in all kinds of activities handling food products.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my statement an article from the New York Times of December 15, 1956, entitled "Two Packers Ask Change in Decree," and also articles under date of February 4 and February 11, 1957, in the Supermarket News, a Fairchild publication, the industry's weekly newspaper, dealing with the question of the food agency, the packing plant operations, the Federal Trade Commission, and the enforcement of the law generally.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of December 15, 1956]

TWO PACKERS ASK CHANGE IN DECREE—SWIFT, ARMOUR JOIN MOVE TO LIFT CONSENT LAW ON LIMITATION OF SALES

Two more large meat packers have asked for relief from a 36-year-old consent decree that prevents them from handling 140 other food and nonfood products.

The packers are Swift & Co. and Armour & Co., which yesterday filed a request for easement of the decree in a United States District Court in Washington, D. C. They said changes in the meat-packing industry had deprived them of any competitive advantage they might once have had.

The decree should be modified, they said, to enable them to compete more effectively against new marketing techniques, such as chainstores, supermarkets, and canned meats and frozen-food concerns.

A somewhat similar request was filed earlier this month by the Cudahy Packing Co., Wilson & Co., the other big meat packer named in the consent decree made in 1920, has not said whether it would seek a modification of the decree. The decree was signed by the four companies to settle an antitrust suit filed by the Government.

ITEMS ARE LISTED

Specifically, the companies seek relief from four restrictions in the 1920 decree that prevent them from:

Dealing in 140 food and nonfood products, chiefly vegetables, fruit, fish, and groceries. Using their distribution facilities, such as wholesale branches and trucks, for the handling of any of those 140 products.

Owning and operating retail meat markets. Dealing in fresh milk or cream.

The packers seek no change in provisions of the decree that prohibit the four packers from owning public stockyard companies, stockyard terminal railroads, or market newspapers, and that restrict their cold-storage operations.

In Chicago, yesterday, F. W. Specht, president of Armour & Co., estimated that net income for the company's 1956 fiscal year, ended November 3, would be about \$14 million, or \$3.44 a common share. This compares with \$10,107,614, or \$2.49 a share, for the fiscal year ended October 29, 1955.

Mr. Specht said that the annual report for the latest fiscal year would be issued early in January.

On Wednesday, Porter M. Jarvis, president of Swift & Co., informed stockholders that earnings of the company for the fiscal year ended last October 27 dropped 38.8 percent from the previous year and were the lowest since 1951. Sales, however, gained 1 percent.

Net earnings for the latest fiscal year amounted to \$14,012,210, equal to \$2.36 a capital share, compared with \$22,893,155, or \$3.67 a share in 1955. Sales totaled \$2,429,302,316, compared with \$2,404,123,642.

[From the Supermarket News of February 4, 1957]

CHAIN'S WITH MEATPACKING PLANTS SEEN FTC EXEMPT

(By Art Garel and Marvin Caplan)

WASHINGTON, February 3.—A food chain—or perhaps any food firm—that operates a meatpacking plant may at present be exempt from Federal Trade Commission prosecution for deceptive practices and antitrust law violations. This opinion was expressed at the weekend by officials of FTC and the Agriculture Department to Supermarket News.

These officials also agreed that if meatpackers are permitted to enter into the retail or wholesale grocery business, these operations definitely would be outside of FTC jurisdiction.

Furthermore, an FTC official said, a food firm cited by FTC for violation of antitrust laws might be able to have that case dismissed merely by buying substantial interest in a meatpacking plant.

These Government officials' views came as a full-scale battle appeared to be shaping up on Capitol Hill to bring the meatpacking industry back under FTC jurisdiction after a lapse of 36 years and to close what some food industry people feel is a loophole in the antitrust laws.

The Packers and Stockyards Act of 1921 specifically removes the meatpacking industry from FTC's jurisdiction. The Government officials believe the definition of a meatpacker is so broad that any food firm may be able to claim meatpacker exemption with a 20 percent or more interest in a packing plant.

At present, it is believed, only five food chains have packing plants.

These include Safeway stores, American stores, National Tea Co., Alpha Beta Food

Markets, Inc., and Colonial Stores, Inc. (whose Albers Supermarkets division recently acquired a plant in Sandusky, Ohio). However, according to a USDA official, a supermarket chain would not necessarily have to operate a meatpacking plant—that is, a slaughtering operation—to have a meat operation.

If Safeway, for example, did not have its Idaho plant, its meat processing and preparation here in Washington would be sufficient to be considered a meatpacking operation under the law, the official said.

The law is so broad in its definition of a meat packer that officials of both agencies are agreed there is a wide "no man's land" where only the courts would be able to decide whether a firm is a meatpacker or not.

Both officials are agreed, for example, that firms primarily not in the food field—such as General Motors—would be considered subject to FTC enforcement since meatpacking is patently not a part of the firm's regular operations.

Both are agreed that meatpackers who enter into other types of food industry operations would definitely be outside of FTC jurisdiction.

Food chains who buy meatpacking plants are in the "in-between" group and an FTC official said the possibility of their being considered meatpackers "troubles me."

The question of FTC's power over a supermarket firm has not been raised in the past. A USDA official said he feels that the supermarket industry will be the first of the "no man's land" group on which the courts will have to decide.

FTC, however, has at least two demonstrations of its inability to proceed against a meatpacker's related food business and against a food firm which acquires a meatpacking plant.

Just last year, the Commission dismissed a complaint against Armour & Co., in which it had accused the company of advertising its Cloverbloom "99" margarine in terms that suggested it was a dairy product.

After carefully studying the matter, a Commission examiner and then the Commission itself concluded Armour was a packer and FTC could not proceed against the firm. It closed the case.

A more dramatic example occurred in 1940. The Commission charged United Corp., Richmond, Va., had misrepresented the origin of its canned goods, meats, deviled hams, and corned beef. FTC issued a cease-and-desist order.

The fourth circuit court of appeals set the order aside after learning that some time before the issuance of the cease-and-desist order (but after the issuance of the complaint), the firm bought a 20-percent interest in a meatpacking operation.

Even if FTC lost jurisdiction over a food chain or other food firm, the Justice Department would not be foreclosed from antitrust action.

USDA would have the responsibility of taking action against deceptive practices and unfair trade activity.

Although Justice can act under the Robinson-Patman Act, in the past it has been reluctant to do so. As one FTC official explains it, Justice feels there is a conflict and overlap between the Robinson-Patman Act and the Sherman Act and sticks with the Sherman Act.

Some food industry people believe USDA enforcement of the antitrust and antideceptive sections of the Packers and Stockyards Act has been woefully weak.

The Western Meat Packers Association, for example, recently claimed, "enforcement by the Secretary of Agriculture is lacking because the department has no appropriation from Congress, has no enforcement staff for this work, and has not exhibited for approximately 30 years any real desire to exercise its authority in the packing industry."

Administration of the act, it is pointed out, is contained in a commodity division which also has the functions of market news service and Federal meat grading—both of which depend upon packer cooperation for their success.

The association also claimed that USDA enforcement would be more costly because the agency would have to set up a completely new enforcement staff, compared with FTC, where perhaps only a few employees would be needed for an addition to its normal enforcement workload.

Last year, at the end of the session, Senators JOSEPH C. O'MAHONEY, Democrat, of Wyoming, and ARTHUR V. WATKINS, Republican, of Utah, introduced bills to return enforcement authority over the meat industry to FTC.

Within the next few days, they indicated, they will introduce a new joint bill, incorporating changes suggested by FTC.

Last year, for example, Senator O'MAHONEY's bill would have transferred the authority in the Packers and Stockyards Act to FTC. This year's bill would take away USDA's authority under the act, and permit FTC to have jurisdiction under the laws it presently administers.

FTC officials pointed out that the Packers and Stockyards Act does not have the benefit of many court interpretations of the FTC administered laws where many cases have been prosecuted.

Organizations favoring the bill are gathering their forces for an all-out push, expecting to meet some heavy opposition from the big packers, the American Meat Institute, and some farm organizations.

Independent packers presently have support from the National Milk Producers Federation, woolgrowers, United States wholesale grocers, and some farm organizations.

[From the Supermarket News of February 11, 1957]

FOOD FAIR MAY ASK FTC TO DROP CHARGES (By Marvin Caplan and Art Garel)

WASHINGTON, February 10.—Food Fair Stores, Philadelphia, may ask the Federal Trade Commission to drop all charges against the firm because the supermarket chain has interests in packinghouses, it was learned at the weekend.

This possibility is still in the speculative stage. An attorney for Food Fair said it is being discussed because of questions raised in an article in Supermarket News.

In this article (SN, 2/4, p. 1) it was re-

ported that FTC and Agriculture Department officials feel there is a possibility any food firm might be completely exempt from FTC jurisdiction because of the provisions of the Packers and Stockyards Act.

The act transfers jurisdiction over the meatpacking industry from FTC to USDA. A definition of a packer is so broad, according to officials of both agencies, that any food firm owning 20 percent interest or more in a packing plant may be considered under USDA rather than FTC jurisdiction.

The Food Fair attorney said the chain "owns a couple of packing plants."

Meanwhile, Supermarket News learned that legislation to give the Federal Trade Commission jurisdiction over meatpackers will be introduced in the Senate this week.

Senators JOSEPH C. O'MAHONEY, Democrat, of Wyoming, and ARTHUR WATKINS, Republican, of Utah, will introduce bills to accomplish this by amending the Packers and Stockyard Act and removing packers from Agriculture Department jurisdiction.

These Senators introduced such legislation last year, but it could not be determined at press time whether they will sponsor identical bills or again put in separate versions. Senator O'MAHONEY is scheduled to resume a meat-price investigation by the Senate Judiciary Subcommittee on Antitrust and Monopoly after that group completes oil-price hearings.

The complaint against Food Fair, issued in November 1955, charges the firm induced special promotional allowances for anniversary sales that it knew, or should have known, were not being made available to its competitors on proportionally equal terms.

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, has the Senator from Utah concluded his statement?

Mr. WATKINS. I have concluded.

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 11 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, February 26, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 25, 1957:

DIPLOMATIC AND FOREIGN SERVICE

David K. E. Bruce, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

Amory Houghton, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

William J. Sebald, of the District of Columbia, a Foreign Service Office of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

John Alanson Perkins, of Delaware, to be Under Secretary of Health, Education, and Welfare, vice Herold C. Hunt, resigned.

UNITED STATES DISTRICT JUDGE

John J. Sirica, of the District of Columbia, to be United States district judge for the District of Columbia, vice Henry A. Schweinhaut, retired.

IN THE AIR FORCE

The officers named herein for appointment as Reserve commissioned officers in the United States Air Force under the provisions of the Reserve Officer Personnel Act of 1954 and chapter 35, title 10, of the United States Code:

To be major generals

Brig. Gen. Theron Baldwin Herndon, AO238180, Air Force Reserve.

Brig. Gen. John Philip Henebry, AO406548, Air Force Reserve.

Brig. Gen. Robert James Smith, AO903591, Air Force Reserve.

To be brigadier generals

Col. Jess Larson, AO190462, Air Force Reserve.

Col. John Beverly Montgomery, AO304671, Air Force Reserve.

Col. Daniel DeBrier, AO348020, Air Force Reserve.

Col. James Maitland Stewart, AO433210, Air Force Reserve.

Col. Kenneth Stiles, AO900928, Air Force Reserve.

Col. John Oliver Bradshaw, AO326377, Air Force Reserve.

Col. John Richardson Allison, AO328165, Air Force Reserve.

Col. Ramsay Douglas Potts, Jr., AO431039, Air Force Reserve.

85TH CONGRESS
1ST SESSION

H. R. 5282

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1957

Mr. CELLER introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (6) of section 5 (a) of the Federal
4 Trade Commission Act, as amended (66 Stat. 632; 15
5 U. S. C. 45 (a) (6)), is amended to read as follows:
6 “(6) The Commission is hereby empowered and di-
7 rected to prevent persons, partnerships, or corporations, ex-
8 cept banks, common carriers subject to the Acts to regulate

1 commerce, and air carriers and foreign air carriers subject
2 to the Civil Aeronautics Act of 1938 from using unfair
3 methods of competition in commerce and unfair or deceptive
4 acts or practices in commerce.”

5 (b) Section 2 (a) of the Packers and Stockyards Act,
6 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
7 182) is amended by striking out—

8 (1) from the title thereof, the words “meat food
9 products”, and the words “livestock products”;

10 (2) paragraph (3) thereof;

11 (3) paragraph (5) thereof.

12 (c) Section 2 (b) of such Act (7 U. S. C. 183) is
13 amended by striking out the words “and meat-packing in-
14 dustries, whereby livestock, meats, meat food products, live-
15 stock products, dairy products, poultry, poultry products, or
16 eggs,” and inserting in lieu thereof the words “industry, and
17 whereby livestock,”.

18 (d) Title II of such Act (7 U. S. C. 191–195) is
19 repealed.

20 (e) Sections 401 and 403 of such Act (7 U. S. C. 221,
21 223) are amended by striking out, in each such section
22 wherever they appear, the word “packer”, and the words
23 “Packer or any live poultry dealer or handler,”.

24 (f) Section 502 (a) of such Act (7 U. S. C. 218a (a))
25 is amended by striking out the words “packers as defined in

1 title II of said Act and railroads", and inserting in lieu
2 thereof the words "a railroad".

3 (g) Section 502 (b) of such Act (7 U. S. C. 218a
4 (b)) is amended by inserting, immediately after the words
5 "this Act", the words "or the Federal Trade Commission
6 Act."

H. R. 2585

A BILL

85TH CONGRESS
1ST SESSION

H. R. 5282

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

By Mr. Celler

FEBRUARY 25, 1957

Referred to the Committee on Interstate and Foreign
Commerce

85TH CONGRESS
1ST SESSION

H. R. 5283

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1957

Mr. DIXON introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) subsection (6) of section 5 (a) of the Federal
4 Trade Commission Act, as amended (66 Stat. 632; 15
5 U. S. C. 45 (a) (6)), is amended to read as follows:

6 “(6) The Commission is hereby empowered and direc-
7 ted to prevent persons, partnerships, or corporations, except
8 banks, common carriers subject to the Acts to regulate

1 commerce, and air carriers and foreign air carriers subject
2 to the Civil Aeronautics Act of 1938 from using unfair
3 methods of competition in commerce and unfair or deceptive
4 acts or practices in commerce.”

5 (b) Section 2 (a) of the Packers and Stockyards Act,
6 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
7 182) is amended by striking out—

8 (1) from the title thereof, the words “meat food
9 products”, and the words “livestock products”;

10 (2) paragraph (3) thereof;

11 (3) paragraph (5) thereof.

12 (c) Section 2 (b) of such Act (7 U. S. C. 183) is
13 amended by striking out the words “and meat-packing in-
14 dustries, whereby livestock, meats, meat food products, live-
15 stock products, dairy products, poultry, poultry products,
16 or eggs,” and inserting in lieu thereof the words “industry,
17 and whereby livestock,”.

18 (d) Title II of such Act (7 U. S. C. 191–195) is
19 repealed.

20 (e) Sections 401 and 403 of such Act (7 U. S. C.
21 221, 223) are amended by striking out, in each such section
22 wherever they appear, the word “packer”, and the words
23 “Packer or any live poultry dealer or handler,”.

24 (f) Section 502 (a) of such Act (7 U. S. C. 218a
25 (a)) is amended by striking out the words “packers as

1 defined in title II of said Act and railroads", and inserting in
2 lieu thereof the words "a railroad".

3 (g) Section 502 (b) of such Act (7 U. S. C. 218a
4 (b)) is amended by inserting, immediately after the words
5 "this Act", the words "or the Federal Trade Commission
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By Mr. DIXON

FEBRUARY 25, 1957

Referred to the Committee on Interstate and Foreign
Commerce

bottles off the tables. He didn't want them showing up in photographs. Inaugural ball officials kept close vigil all through the night. They wouldn't even let a bottle be brought up to a table. They insisted that the stuff be poured somewhere in outer darkness and then carted to the tables in camouflaged. The reason for the Presidential ban on bottles was that Ike was furious 4 years ago over the vile vial pictures."

And, to herald this event, the following appeared in the Washington Post and Times Herald the day before the inaugural balls: "Also 'on the house' is champagne donated by California vineyard growers for a toast to President Eisenhower. This treat, much protested by temperance organizations, won't be consumed in the Presidential presence because waiters have been instructed to keep glasses out of sight when the Chief Executive appears."

Alfred E. Smith was wet and unashamed. Herbert Hoover was dry and proud of it. But.

Some Chickens Coming Home To Roost

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 25, 1957

Mr. ROOSEVELT. Mr. Speaker, on Sunday, February 24, 1957, in the New York Times, there appears an article by James Reston, entitled "Some Chickens Coming Home To Roost," which deplores the lack of a vigorous United States foreign policy backed by the willingness to use force, if necessary, in support of just compromises. I want to commend to the attention of my colleagues the points made by this interesting article:

SOME CHICKENS COMING HOME TO ROOST

WASHINGTON, February 23.—There is an intriguing and disturbing paradox in much of the reaction to President Eisenhower's proposal to force Israel's troops back within their own borders.

This is that, while all well-informed observers agree that Israel should withdraw and that the President is now grappling more realistically with the Arab-Israeli conflict than ever before, there is more opposition to the President's Middle East policy than at any time since he took office and outspoken criticism against putting economic pressure on Israel to rely on his promises.

Why is this? How could it be that the man who enjoys the overwhelming confidence of the people of the United States cannot get the support of the Congress, the Canadians, the British, the French, the Danes and many other sympathetic governments for his proposals?

WHAT ARE THE ANSWERS?

There are a number of answers to these questions, including the following:

United States verbal promises are no longer as valuable as they once were on the international market. The same goes for U. N. resolutions. The U. N. has been calling for an end to Egyptian commando raids on Israel for years. The United States has supported these calls, but the raids have continued.

The United Nations Security Council passed a resolution in 1951 calling on Egypt to stop blocking Israeli ships in the Suez Canal. The United States voted for that resolution, but Egypt defied it for over 6

years, and the President, as late as the first week of this month, said he didn't know there was any such resolution.

This is one answer which the Nation refuses to recognize; there is, to put it bluntly, a crisis of confidence in United States leadership in the world.

The proposals of the United States for the Gaza strip and the Gulf of Aqaba in the last 2 weeks have, in the opinion of many observers here, been more realistic than anything Mr. Eisenhower has proposed in the past. Mr. Dulles' offer to establish freedom of navigation in the Gulf of Aqaba and try to get U. N. troops there and in the Gaza strip was perhaps the most imaginative stroke in the entire controversy, but it depends upon confidence in the will and ability of the United States to carry out its promises through the U. N., and that confidence does not exist.

PARADOX AND TRAGEDY

In an administration that has talked more of confidence and good faith than any other in the world, this is not only a paradox but a tragedy.

For the fact is that there has been a noticeable change of heart here. The President and Mr. Dulles are no longer prepared to acquiesce in Egypt's defiance of the right of free navigation in the Suez Canal and the Gulf of Aqaba. It is unfair to charge them, as some of Mr. Dulles' detractors have done, with putting up bogus promises merely to entice the Israelis to withdraw. Therefore, many observers here think the Israelis have misjudged the situation. But the issue of confidence remains, and it has not been removed by the President's solemn speech of Wednesday night.

For this speech contained several things which have added to the sense of uneasiness about the conduct of American foreign policy. The President implied that it was no argument to say that the U. N. should not put pressure on Israel since it did not put pressure on the Russians in Hungary.

But last November he proclaimed after the invasion of Egypt: "We cannot subscribe to one law for the weak; another for the strong. * * * There can be only one law or there will be no peace."

Also, the speech not only contained a factual error suggesting that Ben-Gurion had broken his word to Mr. Eisenhower, but put the President in the position of inciting the U. N. to economic pressure on Israel before the possibility of negotiating a compromise had been exhausted and before the question had even been discussed in detail with the other nations concerned.

CONFIDENCE IN THE U. N.?

More important, the President once more emphasized his determination to rely on the U. N. in dealing with Egypt, and ruled out the use of force in settling these international differences. And this has increased the general sense of uneasiness, for other Governments are more and more convinced that the United Nations, as presently constituted, is no substitute for vigorous United States diplomacy backed by the willingness to use force, if necessary, in support of just compromises.

These are the things responsible men are saying here in private but seldom saying in public about the present situation. They are not saying that these things justify the mulish determination of Ben-Gurion to overplay his hand, or that the United States has not finally begun to grapple sincerely with a highly complex and tragic situation.

But they are saying that noble pronouncements out of Washington are not enough to clear away the misunderstandings, illusions, hesitations, and mistrust, of the past.

Small Business Selling to Big Business— Is There a Future in It?

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 25, 1957

Mr. PATMAN. Mr. Speaker, the Small Business Committee receives hundreds—I believe thousands—of letters from small-business people who have some specific and acute problem with which they need help.

The committee also receives, however, many thoughtful letters from small-business people who are not asking for help, but are advancing constructive ideas to help others. Such a letter came to me on January 29 from a small-business man in Pennsylvania. I believe that the Members will find two points of interest in this letter. First, the writer advances an idea for forming local committees of small-business people within the local civic clubs, such as the Kiwanis Club. Second, all of the advertising and all of the special studies which we receive from the big corporations about how much they purchase or subcontract from small firms conveys to us a much rosier picture about big business purchasing from small business than the small-business man encounters when he calls on the big corporate purchasing agent with catalogue and order book in hand.

I would like to insert the letter at this point and then make a few concluding remarks:

PURCHASING AGENTS VERSUS ADVERTISING DEPARTMENTS

JANUARY 28, 1957.

I am watching with interest your committee's splendid work in exploring the complex problem of small business and realize that you have a tremendous task in working out how the small-business man may continue to survive in the ever-increasing economic bigness.

We are small—with about 15 people on our payroll. We have our problems and are doing all we can in order to continue in business. It requires hard, persistent work to maintain our position in the business world.

Our main competition is in the big firms in our field. However, in some ways, the very bigness of our competition works to our advantage. Like all small business we can offer a personalized service. In fact in some of our advertising we are starting to use the slogan "Small Business Gives You Personal Service."

In fact, this type of slogan, actually followed up, can be of value to small business.

However, the one fact that I have been confronted with in my job of selling has been that of the lack of interest on the part of purchasing departments to give the small manufacturer consideration. The top officers of a large corporation will advertise, talk about, and publish the fact we do this for small business. You go to these firms that are receiving from the Government money for the products that they can best produce, and when you talk about your product and service you notice a notable lack of interest because you are small.

I feel that your committee, among many things, can do a job bringing to Government,

management and the public that small business is the basic foundation of our economy and that big business is the result of small business growing greater with the passage of time. So that encouragement to small business is good business.

I feel very keenly about small business and only this week we are organizing a small-business committee in the Kiwanis Club of my hometown. We feel, that service clubs, being made up of small-business men in the main, have a common exchange of ideas that could result in worthwhile ideas that come from the grassroots.

A small-business man is a "breed unto himself," for instance, as owner of this company of mine I must be financier, traffic manager, purchasing agent, production manager, sales-manager, new product developer—yes, even janitor.

I must work with my hands and head. I must spend many, many hours reading and thinking of my business. My mind is framed with a dollar mark because my time must be spent in thinking of money from every angle.

However, I feel that small business will continue. We still have rugged people that don't want to be part of a big machine but want to get out and do something on their own—work for themselves—not beholden to anyone or corporation. They will do this despite the complex obstacles thrown in their way by current conditions.

Trusting that you'll find this of interest and will show that we in the small-business world are rooting for you and your efforts on our behalf, we are,

Sincerely yours.

BIG COMPANY BACK SCRATCHING

The writer of this letter points out that in contrast to all of big business' advertising about its fondness for purchasing supplies and parts from small firms, the big corporations are in reality usually not interested in the small firm's product. He hopes that some means can be found for appealing to the big corporations to be more generous in this respect. I hope that this can be done, and I believe that to a certain degree such an appeal can succeed.

There are terrific barriers, however, which the small-business man frequently does not appreciate. The fact is that a very large portion of the total volume of business transacted in the country today is buying and selling between one giant corporation and another. Frequently there is reciprocal buying between a pair of giant corporations. Take for example the auto tire or the auto battery or other auto accessories which we might buy in the local filling station. Behind those products we find buying and selling arrangements like this: A major oil company, or a pair of major oil companies, sell the raw stock for making synthetic rubber to one of the big rubber companies. Then the oil company buys auto tires—as well as batteries and other auto accessories—from its rubber company-customer, for distribution through its retail/gasoline stations. In other words, this is a packaged deal. The small-business man who makes things the rubber company makes, is wasting his time to try to sell to the oil company. And so, too, the small-business man who sells things the oil company sells is wasting his time trying to sell the rubber company.

Our business system today is riddled with arrangements of this kind, but usu-

ally these arrangements are somewhat more complex, and their outlines are not so visible to the eye of the small-business man. There are complex financial ties where 1 big bank, or 1 big insurance company, is the financier of both the buyer and seller corporation; and there are other more elaborate reciprocal buying-selling arrangements which parallel the elaborate patterns of interlocking boards of directors among the giant corporations. As arrangements of this kind spread and increase in the community, interest between and among the giant corporations becomes more closely knit and there is less and less opportunity for the small-business man. The quality of the service he offers and the price at which he can offer a product will have nothing to do with his breaking into a market like this.

SMALL BUSINESS PEOPLE SHOULD DEVELOP THEIR OWN IDEAS

As for the idea of establishing "small-business committees" within the local civic clubs, it seems to me this is both wholesome and constructive. Small-business people are extremely busy people. As this small-business man points out, in his own firm he must be "financier, traffic manager, purchasing agent, production manager, sales manager, new product developer," and "even janitor." Being busy, the small-business man does not have sufficient time to keep informed on the general economic and legislative issues which affect his well-being. Consequently, small-business committees such as have been suggested should provide an opportunity for small-business people to exchange information and discuss their problems. This kind of exchange of information and frank discussion will not find a hospitable home in some of the national business organizations such as the National Association of Manufacturers and the Chamber of Commerce. Such get-togethers among small-business men would, then, serve a very real need for giving expression to ideas coming up from the "grass roots." In the organizations I have just mentioned, the ideas, the propaganda and the "party line" all seem to flow down from the top.

I have heard many small-business people say that the giant corporations use these organizations to propagandize the small-business man against his own interests.

I believe that the democratic processes provide our best assurance of progress, as well as our best safeguards against economic totalitarianism. Small-business people must learn to make the best uses of these processes.

transmitted to Congress January 23, 1957, he emphasized the importance of a competitive economy in producing the abundance we have enjoyed in America.

The report states:

The preservation and strengthening of competition must, therefore, be a leading objective of public policy. * * * Vigorous enforcement of the antitrust laws is basic to the attainment of this objective, for threats of encroachment on competition are always present and assume constantly changing forms.

Most of us in Congress are in agreement with this objective. However, there is an important area of our economy which for decades has escaped antitrust scrutiny or enforcement. This is the meatpacking industry.

In the years prior to 1921 the Federal Trade Commission was vigorously investigating monopolistic practices among the packers. The Justice Department brought antitrust suits against the Big Five packers, and to escape prosecution they signed a consent decree in 1920 by which their activities were restricted.

In 1921 the Packers and Stockyards Act transferred monopoly and fair-trade control from the Federal Trade Commission to the Department of Agriculture. However, Congress has never given the Department of Agriculture an appropriation for an enforcement staff. Thus, meatpacking is the only industry in America which escapes Government supervision of unfair trade practices by which giant companies can force small competitors out of business or artificially lower prices for produce sold to them.

Today, Congressman EMANUEL CELLER, chairman of the House Judiciary Committee and its antitrust subcommittee, and I are introducing identical bills to amend the antitrust laws so as to vest in the Federal Trade Commission jurisdiction to prevent monopolistic practices in the meatpacking industry. Senators ARTHUR V. WATKINS and JOSEPH C. O'MAHONEY are introducing the same bill in the Senate.

Strict antitrust enforcement is urgently needed, because the packing industry is heavily concentrated. This puts the consumers, the small independent meatpackers and the cattlemen in a vulnerable position. Ten national packers slaughter 50 percent of the cattle, 60 percent of the calves, 70 percent of the hogs, and 77 percent of the sheep under Federal inspection.

Secretary of Agriculture Ezra Taft Benson is to be commended for his recent announcement that the Department is making a survey of activities and problems concerning unfair trade practices. Secretary Benson has also indicated he expects to ask for funds to build an enforcement staff if that function remains in his Department.

However, more economic and effective antitrust enforcement against the packers over the long run would result from transferring enforcement to the Federal Trade Commission for the following reasons:

First, the FTC could do the job with little or no expansion of staff, with consequent economy to the taxpayers. It has been estimated that for the Department of Agriculture to adequately assume

Meatpackers Amendment

EXTENSION OF REMARKS OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 6, 1957

Mr. DIXON. Mr. Speaker, in President Eisenhower's economic report

this enforcement would require an additional staff of as high as 60 people.

Second, scrutiny of unfair buying or selling practices would likely be accomplished with considerably greater efficiency by an agency with decades of experience in antitrust enforcement than by a newly established organization.

Third, over the long run the Department might be restrained from pushing antitrust enforcement, because the success of some Department activities, such as marketing news services and Federal meat grading, requires cooperation of the meat packers.

During the summer and fall of both 1955 and 1956 I spent considerable time visiting with stockmen from most of the 25 counties in my congressional district in Utah. There men are almost universally requesting vigorous enforcement of the antitrust laws against the meat packers. In addition a growing list of powerful regional and national organizations is taking a strong stand in favor of the bill, which I am introducing to transfer authority from the Department of Agriculture to the Federal Trade Commission. These include the National Milk Producers Federation, the Western States Meat Packers Association, the National Wool Growers Association and the United States Wholesale Grocers Association.

Passage of this bill should mean added protection to livestock producers, meat consumers, and independent packers.

There was a time when it was the less able, the less ambitious youths who were more likely to stay on the family farm, while their brighter brothers sought their fortunes out in the world. Many became farmers by default, because they had no other vocation. There are still some situations, of course, where opportunity is too restricted to satisfy a young man of ambition, especially where there is a big family living on a small, poor farm. But there is a significant trend of college-trained youths to go right back to the old home farm for a prosperous, happy life.

Our cities have drained population from the farms for many years. Where 60 percent of Americans lived in rural areas in 1900, only 36 percent were there by mid-century.

Yet agricultural production has gone on rising, due to new equipment and new methods of farming. Rural life has grown steadily less lonely, less isolated, less cut off from the main stream of America's development. We have seen evidences that many of the young people now settling down on family farms are the cream of the crop. The farm contests run each year by the Courier-Journal, Louisville Times, and WHAS turn up a heavy proportion of young people as prize winners who are joining their fathers on the farm as a career.

Loss of quantity in the farm population is not important if there is a steady gain in quality. We see that kind of gain on Kentuckiana farms, and we are happy about it.

Impossible Job of Secretary of State

EXTENSION OF REMARKS

OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 30, 1957

Mr. FULTON. Mr. Speaker under leave granted to extend my remarks in the RECORD, I include the following article from the New York Times magazine of February 24, 1957:

IMPOSSIBLE JOB OF SECRETARY OF STATE

(By Paul H. Nitze)

WASHINGTON.—President Eisenhower in a recent press conference described the position of Secretary of State of the United States as "the greatest and most important job in the world."

When the President made his statement his main purpose undoubtedly was to emphasize his personal support for John Foster Dulles at a time when Mr. Dulles was under serious attack in the Congress and elsewhere. Furthermore, the President probably did not mean to suggest a comparison in greatness and responsibility between the office he himself holds and that of his Secretary of State. Nevertheless, the description is not to be lightly dismissed. A strong case can be made that the office of Secretary of State of the United States is a more difficult office to fill well than the Presidency—that, if not the greatest, it is the world's most difficult job. The most important exercise of the President's power and responsibility, provided he decides not to do the job himself, is his choice of a Secretary of State.

Clausewitz makes the point in discussing military organization that a supreme commander can lead, direct, and supervise 8 to 10 intermediate commanders, but that each of these intermediate commanders should not be assigned more than 4 subordinate units. His explanation was that an intermediate commander must look up as well as

down, that he must concern himself as much with his relationship to his commander as with his relationship to his subordinates, and that the number of units he can therefore direct is more limited than in the case of the supreme commander who needs only to look down.

The relationships with which the Secretary of State must concern himself are many, but probably the first and most essential is that with his immediate superior, the President. The powers and responsibilities with which the Secretary of State is dealing derive almost entirely from those of the President. He acts in the President's name with authority delegated from the President or else the President acts in his own name but on the advice and recommendation of his Secretary of State.

Any lack of understanding or of confidence between the two is a flaw that will rapidly undermine all possibility of successful conduct of the Secretary of State's office. When President Roosevelt ignored Secretary of State Cordell Hull on vital matters of foreign policy Hull's usefulness as Secretary of State was seriously impaired. When Secretary of State James F. Byrnes slighted his obligations to keep President Truman fully informed and allowed doubt to arise as to whether he was fully reflecting Truman's wishes his usefulness as Secretary of State was at an end.

But this relationship up—to the source of his power and authority, to the office in which the responsibility for his actions and those of all his subordinates is centered—is only one of the many relationships that the Secretary of State must simultaneously cherish. To the 15,000 members of the State Department and the Foreign Service the Secretary is the man in whose name and on whose responsibility all their actions are taken. A Secretary who permits lack of confidence, or misunderstanding, to arise between himself and the organization of which he is the head soon finds himself in a very weak position.

In his first speech to the State Department employees after he took office Mr. Dulles said he could take personal responsibility only for those matters of which he had personal cognizance. But it is impossible for the Secretary of State to divorce himself from responsibility for what the organization as an organization does. He cannot possibly do everything himself. He must, to a large extent, rely on others. He cannot avoid concerning himself with the competence and morale of the organization on which he and the President must rely for much of the development and execution of their policies. In this role the Secretary of State must be an executive, the second most important executive of the executive branch of the United States Government.

The Secretary of State must concern himself with two other sets of relationships of the utmost importance. One of these is internal, within the United States, and finds its most critical expression in the Secretary's relations with Congress, particularly the Senate. The other is external, the Secretary's relations with the governments and peoples of the countries with whom the United States is allied or who are otherwise important to the conduct of our foreign policy. Both of these relationships are in part direct and personal, and in part dependent on public opinion and thus on all those things that help to mold public opinion, including the press.

During the years that Mr. Dulles served as special adviser to the Secretary of State in the Truman Administration he had an opportunity to watch at first hand the development of these relations under Dean Acheson.

It was my impression that Dulles found little fault, and in fact found much to praise, in the way Secretary Acheson handled his external relations, particularly his relations with the leading men of the countries allied

When College Boys Decide To Stay Down on the Farm

EXTENSION OF REMARKS

OF

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 25, 1957

Mr. NATCHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith an editorial entitled "When College Boys Decide To Stay Down on the Farm," which appeared in the February 19, 1957, issue of the Courier-Journal, of Louisville, Ky.:
WHEN COLLEGE BOYS DECIDE TO STAY DOWN ON THE FARM

A recent poll of young men in colleges showed that 53 percent of those who are farmers' sons planned to make a career of farming. This is a notably high figure. The average was only 16 percent for boys planning to follow their father's profession.

These are college boys, remember, boys who have been away from home and have seen something of the world. They are not likely to be swayed completely by the old argument that "what was good enough for Dad is good enough for me." Young people today are seldom bound by such feelings of tradition.

It must be true that these young men are thinking in terms of a genuine career of farming. A great many of them are taking special training in agriculture, so that they will enter their life's occupation at least as well prepared on the technical side as the average boy who goes into business or industry.

to us or uncommitted to either side. Dulles did, however, question Acheson's success in handling his internal relations, particularly his relations with Congress and the press. It was Dulles' view that the mounting bitterness toward Acheson on the part of an important segment of Congress and the press was destroying his ability to carry out the courses of action on which he was embarked and therefore undermining his usefulness as Secretary of State. Dulles was determined not to repeat what he considered to be Acheson's errors in handling Congress and the press.

The question remained, and still remains, whether it is possible for a Secretary of State simultaneously to maintain the good will of Congress and of the press, and also maintain the respect and confidence of our allies and friends abroad.

There are those who believe that the job of the Secretary of State as it has evolved in the last 20 years is an impossible job. They say that one can conceive of a man—a first-class executive and leader of men, an expert in the field of foreign affairs—who is able to serve both as a loyal and dedicated staff officer to his President and as an executive and leader to his subordinates. They further say that it is possible to visualize this man conducting our foreign policy in a manner that merits and secures the respect of our friends and allies abroad and the fear and respect of our enemies.

But, they say, to imagine that this same man can also manipulate, weave through, accommodate and placate the myriad pressures, prejudices and opinions that are to be found in Congress, the press and domestic public opinion is just asking too much.

Some have suggested that what we need is a Secretary of State who has been through the domestic political mill, who has been elected to high office—either to the Senate or to a governorship—and who, because of this experience, will be better equipped to deal with the domestic scene and with Congress than any of our recent Secretaries of State have been. They argue that the Secretary of State, to be effective, must have domestic political power in his own right. They do not argue that experience and success in domestic politics are, by themselves, enough to qualify a man to be Secretary. They urge that he have this background in addition to all the other qualities necessary for him to carry out well the demands of his job.

Others would question whether such paragons exist. They suggest that a choice has to be made, and that priority should be given to those qualities of character and experience which best fit a Secretary of State to deal effectively with people and governments abroad. After all, the prime business of a Secretary of State is the effective conduct of our foreign relations.

What are the qualities of character and experience that best qualify a Secretary of State for this part of his job, the guidance and conduct of United States policy in what the Supreme Court once called "this vast external realm?"

I think most observers would probably list courage at the top of the list of essential qualities. The conflicting pressures on a Secretary of State are so intense, the issues he is dealing with so important, and the merits, costs and dangers of any course so difficult to sort out, that unless he has by innate character a disposition to energy, fortitude and consistency—in other words, courage—his guidance of foreign policy will fluctuate and be uncertain.

In addition to consistency of policy, it is important that the policies pursued have a reasonable prospect of success, that they be based upon actual conditions and possibilities and not on prejudice, bias or lack of understanding. The Secretary of State is assisted by the full organization of the For-

eign Service, by the State Department staff in Washington and by the various intelligence agencies. They collect, digest and evaluate information from a myriad of sources but, in the last analysis, it is the Secretary who must decide on the final evaluation or recommend such a decision to the President.

This kind of judgment requires something more than experience; it requires a particular sensitivity, a power of intuition, an ability to put one's self into another person's place, to see how a given course of action will appear not just to representative Americans, but to people abroad—some friendly, some hostile, all human beings, but all having somewhat different backgrounds from ourselves.

Combined with this sensitivity, a Secretary of State has to have somewhat the same capacity for toughness as a military commander. A general cannot hesitate to send a unit into an action that will almost certainly result in its destruction, if that action is necessary to the success of his overall strategy. From time to time, a Secretary of State is called upon to make decisions requiring a similar toughness of spirit. He is in no position to give orders to any foreign citizen or official; therefore this toughness often finds expression in a well developed ability to say no, but it is toughness nevertheless.

If one were to ask foreign observers, observers basically friendly to our interests, what quality in a United States Secretary of State is most important, I believe they would say honesty. A reputation for honesty has long been stressed by students of diplomatic history as being the key to success in diplomacy and statesmanship. It is not that the diplomat or statesman should be a blabbermouth or have no secrets. It is that the statesman and the diplomat are presumed to have considered their remarks before they make them, to be precise in giving expression to their thoughts, and to mean what they say.

Even in negotiations between basically hostile states, a high degree of precision in expression is necessary if misunderstandings leading to consequences desired by neither side are to be avoided. In the conduct of alliance diplomacy, and particularly in the case of a nation that plays a role of leadership in a coalition or system of alliances, precision of expression and a reputation for honesty are absolutely essential.

It is important at this point to draw a distinction between that precision of expression which one finds in the fine print of a legal contract and precision of expression which conveys in a politically significant manner the meaning one intends. Henry L. Stimson, when he was Secretary of War, was asked to approve a statement that his staff had prepared. When he objected that it was unclear, members of his staff pointed out that all the points he had in mind were covered somewhere in the language they had prepared.

His reply was that in the world of politics one should never forget that any public statement is to be judged as though it were a poster, not a photograph. The overall impression, not just the detailed words, must correspond with the thought that is intended.

It would be wrong, of course, merely to stress honesty and precision of expression without regard to the content of what the Secretary of State wants to express. People abroad are fundamentally interested in two questions. The first question is whether we in the United States consider them to be part of the group in whose behalf we are conducting our policy of leadership, or whether we view them as mere counters to be played this way or that in a game in which they really have no part.

The essence of leadership is to promote successfully the basic interests of those one

is attempting to lead. If the developing course of history has thrown on the United States the burden of leading a coalition of those who do not wish to accept Soviet hegemony in the world, then the Secretary of State must have a sufficiently broad point of view to associate himself with the basic interests of the members of that coalition. He must be tough in saying no to those who would have him espouse interests that are partial and are not basic. Interests that really are vital to the members of the coalition must be vital to our Secretary of State, and to us, if we propose effectively to lead the coalition.

The second question in which people abroad are interested is whether as a country we have the will and the determination to carry out the policies that we purport to be pursuing. A Secretary of State who promises more than he can deliver debases the currency of our prestige as a country. Every concrete success of our foreign policy tends to improve our chances of further success. The close balancing of stated objectives with capacity for performance is an art that the Secretary of State must constantly have in mind.

Our ideal Secretary of State, then, is a man of many and seemingly contradictory virtues. He is a loyal subordinate to his chief while he is a leader and executive of the State Department and Foreign Service. He is courageous, and he is sensitive. He is honest, and he is precise and careful in his expression. He is broadminded, and he is tough. Perhaps one should add one other set of virtues. He must be proud and he must be humble. Without pride, he would be unable to face the responsibilities that press upon him. Without humility, he would crack under the strain.

In practice no actual Secretary of State will fully meet our ideal. He will have great strengths and he will have weaknesses. The task of good government organization is to make it possible for human beings to carry superhuman responsibilities. The President, the White House staff, and the leaders of the political party in power can carry a major part of the burden of protecting the Secretary of State from unfair congressional pressures and criticism.

The State Department and the Foreign Service can assist the Secretary of State to the limit of their ability in the actual formulation and conduct of policy. Our friends abroad are willing to do what they can to help if given a chance. It is only as a team that the job can possibly be done at all. The Secretary of State must permit—and help—the other members of the team to help him. Personal diplomacy is not enough. But even if he seeks and receives the fullest assistance others can give him, the unavoidable pressure of responsibility and burden of decision upon the Secretary of State make his job, if not the greatest, probably the most important, and certainly the most difficult, in the world.

Twenty-four-Hour Quarantine Service

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 25, 1957

Mr. PELLY. Mr. Speaker, H. R. 4249, the 1957 deficiency appropriations bill, is in conference. On the last printed House Calendar I received it showed no House conferees had yet been appointed. I trust this matter will be taken care of

85TH CONGRESS
1ST SESSION

H. R. 5454

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1957

Mr. BERRY introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) subsection (6) of section 5 (a) of the Federal
4 Trade Commission Act, as amended (66 Stat. 632; 15
5 U. S. C. 45 (a) (6)), is amended to read as follows:

6 “(6) The Commission is hereby empowered and direct-
7 ed to prevent persons, partnerships, or corporations, except
8 banks, common carriers subject to the Acts to regulate

1 commerce, and air carriers and foreign air carriers subject
2 to the Civil Aeronautics Act of 1938 from using unfair
3 methods of competition in commerce and unfair or deceptive
4 acts or practices in commerce."

5 (b) Section 2 (a) of the Packers and Stockyards Act,
6 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
7 182) is amended by striking out—

8 (1) from the title thereof, the words "meat food
9 products", and the words "livestock products";

10 (2) paragraph (3) thereof;

11 (3) paragraph (5) thereof.

12 (c) Section 2 (b) of such Act (7 U. S. C. 183) is
13 amended by striking out the words "and meat-packing in-
14 dustries, whereby livestock, meats, meat food products, live-
15 stock products, dairy products, poultry, poultry products,
16 or eggs," and inserting in lieu thereof the words "industry,
17 and whereby livestock,".

18 (d) Title II of such Act (7 U. S. C. 191-195) is
19 repealed.

20 (e) Sections 401 and 403 of such Act (7 U. S. C.
21 221, 223) are amended by striking out, in each such section
22 wherever they appear, the word "packer", and the words
23 "Packer or any live poultry dealer or handler,".

24 (f) Section 502 (a) of such Act (7 U. S. C. 218a
25 (a)) is amended by striking out the words "packers as

1 defined in title II of said Act and railroads", and inserting in
2 lieu thereof the words "a railroad".

3 (g) Section 502 (b) of such Act (7 U. S. C. 218a
4 (b)) is amended by inserting, immediately after the words
5 "this Act", the words "or the Federal Trade Commission
6 Act."

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

By Mr. BERRY

FEBRUARY 28, 1957

Referred to the Committee on Interstate and Foreign
Commerce

- 3 -
13. MEATPACKING. Sen. Watkins urged passage of S. 1356, to return to the FTC jurisdiction over unfair trade practices in the meatpacking and distributing industry. He claimed the Department's enforcement of the laws against unfair trade practices is lax and inserted two articles on a food store chain's attempts to escape FTC regulation by entering the meatpacking industry. pp. 4582-4
14. POULTRY. S. 1747, to provide for compulsory poultry inspection, was made the unfinished business. pp. 4575, 4589-90
15. SOIL BANK. Sen. Humphrey inserted a Minn. Legislature resolution urging a corn soil bank program based upon a minimum acreage base of 51 million acres, supports at \$1.50, and a production requirement that supported producers put 15% of their corn acreage allotment in reserves. p. 4521
16. ELECTRIFICATION. Sen. Watkins inserted a speech he had prepared, criticizing the high Hells Canyon dam proposal and asserting that one-seventh of all the flood control and navigation funds expended to date had been spent in Oreg. and Wash. pp. 4549-52
17. SUGAR. Sen. Allott inserted a speech by the President of the U.S. Beet Sugar Ass'n, on the beet sugar industry and the 1956 Sugar Act. pp. 4571-3
18. FLOOD CONTROL. Received from the Housing and Home Finance Agency a proposed bill to amend the Federal Flood Insurance act to remove authority for loan contracts; to the Banking and Currency Committee. p. 4517
The Public Works Committee reported without amendment S. 1682, to approve the Merrimack River flood control compact (S. Rept. 208). p. 4523
19. VEHICLES. Received from General Services Administration a proposed bill to provide for the defense of suits against U.S. employees arising out of operation of motor vehicles as part of their employment; to the Judiciary Committee. p. 4517
20. AREA DEVELOPMENT. Sen. Humphrey inserted a Minn. House resolution urging support for S. 964, the area development bill. p. 4521
21. TRANSPORTATION. Sen. Humphrey inserted a letter of the Lancaster Civic and Commerce Club to the ICC protesting any increase in freight rates. p. 4521
22. SMALL BUSINESS. Sen. Kefauver discussed an increase in the rate of bankruptcies and the problems of small business. pp. 4569-70
Sen. Allott inserted a letter from the regional Director of the Small Business Administration in Denver on meetings in the drought area to bring the agency services to the attention of small business. pp. 4570-1
23. LEGISLATIVE PROGRAM. Sen. Johnson announced the Senate would consider on Mon., Apr. 8, S. 1747, for compulsory poultry inspection, followed by S. 1771, the corn bill, and S. 511, the deferred grazing and protein feed bill. p. 4575
24. ADJOURNED until Mon., Apr. 8. p. 4613

ITEMS IN APPENDIX

25. FARM CREDIT. Sen. Humphrey inserted Wm. Lundell's statement before the Senate Agriculture and Forestry Committee and stated "Senators will find that this statement strongly reinforces the position of the junior Senator from Minnesota that agricultural credit in the great farming areas in the West, particularly those areas which have been stricken by years of drought, has become almost nonexistent." p. A2697
26. DISTRESSED AREAS. Sen. Goldwater urged that all Senators give serious consideration to the full implication of proposals for depressed-area legislation and inserted an editorial on this subject. pp. A2697-8
27. MONOPOLIES. Sen. Kefauver inserted Rep. Patman's statement before the Senate Judiciary Committee in support of S. 11 and H.R. 11, the equality of opportunity bills, which would "plug a loophole" in the Robinson-Patman Act. pp. A2703-7
28. BUDGET. Sen. Talmadge inserted an editorial urging reduction in the budget. p. A2707
Rep. Whitener inserted an editorial, "Economy Must Begin At Home," discussing the budget and stating that expenditures will not be cut as long as the voters at home demand more and more Government service. pp. A2717-8
29. TRANSPORTATION. Rep. Loser inserted a Tenn. State resolution favoring repeal of the excise tax on transportation. pp. A2717-18
30. LIVESTOCK. Rep. Hosmer inserted an editorial pointing out the need for enactment of humane slaughter legislation. p. A2717
31. COTTON. Rep. Kilgore inserted Rep. Poage's statement before the Atlantic Cotton Ass'n discussing problems of the cotton industry and suggesting "recipes for a sound pricing program for cotton." pp. A2719-21
Rep. Whitener expressed concern over the future of legislation which has been proposed for an "equitable cotton acreage allotment program," and inserted an editorial, "Explanation Due From USDA." pp. A2721-2
32. SOIL CONSERVATION. Rep. Jensen commended a booklet published by the Nat'l Ass'n of Soil Conservation Districts in cooperation with national church leaders to commemorate Soil Stewardship Week, May 26 to June 2, 1957. pp. A2722-4
33. SOIL BANK. Rep. Breeding inserted an editorial criticizing certain provisions of the soil bank program and stating that "the soil-bank program is for farm relief, not landlord relief." pp. A2724-5

BILLS INTRODUCED

34. DISASTER RELIEF. S. 1808, by Sen. Morse, to provide financial assistance for the rehabilitation of orchards destroyed or damaged by natural disaster; to Agriculture and Forestry Committee. Remarks of author. pp. 4594-8
S. 1809, by Sen. Morse, to amend the Soil Conservation and Domestic Allotment Act, as amended, so as to authorize the inclusion in agricultural conservation programs under such act of activities carried out in connection with the reestablishment of orchards destroyed by production disasters; to Agriculture and Forestry Committee. Remarks of author. pp. 4598-4602

\$310,598,962; and the good Lord only knows what the losses will be with the almost one billion bushels of corn the Secretary of Agriculture now has on hand.

In the case of upland cotton, from 1933 through June 30, 1953, there was a gain of \$268,219,477. From July 1, 1953, through January 31, 1957, while Mr. Benson has been Secretary of Agriculture, there was a loss of \$428,890,561.

In the case of peanuts, from October 17, 1933, through June 30, 1953, there was a loss of \$92,648,951. From July 1, 1953, through January 31, 1957, there was a loss of \$40,846,007.

In the case of rice, from October 17, 1933, through June 30, 1953, there was a loss of \$1,459,513. From July 1, 1953, through January 31, 1957, there was a loss of \$51,693,928.

For tobacco, from October 17, 1933, through June 30, 1953, there was a gain of \$1,641,818. In the 4 years from July 1, 1953, through January 31, 1957, there has been a loss of \$1,843,773.

Mr. President, I ask Senators to notice particularly the loss which has occurred in the case of wheat. From the inception of the program on October 17, 1933, through June 30, 1953, there was a loss of \$95,127,450, whereas during the last 4 years the losses on wheat alone were \$374,903,354.

CCC losses Oct. 17, 1933, to June 30, 1953, and from July 1, 1953, to Jan. 31, 1957 (details in attached schedule 8)

Commodity group	Period of time		Total losses Oct. 17, 1933, through Jan. 31, 1957
	From Oct. 17, 1933, through June 30, 1953	From July 1, 1953, through Jan. 31, 1957	
Basics:			
Dollars	\$20,720,931	\$1,220,850,827	\$1,241,571,758
Percent	1.7	98.3	100.0
Designated non-basics:			
Dollars	\$707,815,005	\$1,184,759,725	\$1,892,574,730
Percent	37.4	62.6	100.0
Other non-basics:			
Dollars	\$381,600,953	\$537,315,899	\$918,916,852
Percent	41.5	58.5	100.0
Total:			
Dollars	\$1,110,136,889	\$2,942,926,451	\$4,053,063,340
Percent	27.4	72.6	100.0

Mr. ELLENDER. Mr. President, I have a few more comments on the speech of Secretary Benson. I quote from page 9 of the speech:

The stage was set for these high costs by the surplus-building, market-destroying Democrat-sponsored farm program we inherited.

Mr. Benson knows better than that.

We're coming out from under these inherited problems.

And how, may I ask, does the Secretary reach this conclusion? I just pointed out the corn fiasco of last year. I wonder why the Secretary did not give all the facts to the fine ladies he was addressing on April 2.

Mr. President, I know some Senators desire to make a few statements of their own; but I want to point out that Mr. Benson has not operated at least one program over which he has had authority to use the sliding scale since 1953 in such a way as to reduce production. I refer to milk. Milk production in 1952

Let me point out that in the case of milk and butterfat, from October 17, 1933, through June 30, 1953, there was a loss of \$136,524,896, whereas during the last 4 years, under Mr. Benson's administration, there has been a loss of \$1,168,320,609. I wish Mr. Benson had given that information to the good ladies he addressed on April 2.

Mr. President, to summarize the record with respect to all commodities—basics, designated nonbasics, and other nonbasics—total losses from October 17, 1933, through June 30, 1953, were \$1,110,136,889, whereas in the period July 1, 1953, through January 31, 1957, losses were \$2,942,926,451. The total loss on all programs from October 17, 1933, through January 31, 1957, aggregated \$4,053,063,340, with 72.6 percent of these losses chargeable to the operations during the 4 years of Mr. Benson's administration, and 27.4 percent chargeable to operations during the entire prior 20-year period.

Mr. President, I ask unanimous consent that the table from which I have just read may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and price-support level, 1950-56

Year	Production	Support level (percent parity)	Production	Support level (percent parity)
	Corn (million bushels)		Sorghum (million bushels)	
1950	3,075	90.0	234	65.0
1951	2,926	90.0	163	75.0
1952	3,292	90.0	91	80.0
1953	3,210	90.0	116	85.0
1954	3,058	90.0	235	85.0
1955	3,230	87.0	243	70.0
1956	3,451	(¹)	205	76.0
	Oats (million bushels)		Barley (million bushels)	
1950	1,369	75.0	304	75.0
1951	1,278	75.0	257	75.0
1952	1,217	80.0	228	80.0
1953	1,153	85.0	247	85.0
1954	1,410	85.0	379	85.0
1955	1,503	70.0	401	70.0
1956	1,153	76.0	372	76.0
	Rice (million bags, 100 pounds)		Milk (billion pounds)	
1950	39	90.0	117.3	279.0
1951	46	90.0	115.2	287.0
1952	48	90.0	115.1	290.0
1953	53	91.0	120.5	290.0
1954	64	91.0	122.3	275.0
1955	56	86.0	123.2	280.0
1956	47	82.5	125.7	284.0
	Wheat (million bushels)		Cotton (thousand bales)	
1950	1,019	90.0	10,014	90.0
1951	988	90.0	15,149	90.0
1952	1,306	90.0	15,139	90.0
1953	1,173	91.0	16,465	90.0
1954	984	90.0	13,696	90.0
1955	935	82.5	14,721	90.0
1956	999	82.6	13,303	82.5

¹ 84.3 compliance; 70.2, noncompliance.

² Support on Milk for Manufacture.

Source: U. S. Department of Agriculture.

Mr. ELLENDER. Mr. President, I could recite more details about all these figures, I think I have presented enough information to rebut Mr. Benson. I do hope that the next time Mr. Benson makes a speech he will look up the records. He has them. Everything I have read to the Senate today came from his Department. He could at least have told the full story to the good people he was addressing. It is not a hard task for the Secretary of Agriculture to obtain full and accurate statistics from members of his own Department.

Mr. President, I understand that other Senators desire to speak. I have more facts that I could put into the RECORD, but I shall conclude at this point.

During the delivery of Mr. ELLENDER's speech,

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I should like to ask the Chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana, if he will permit me at the conclusion of his remarks—lest I do not have a chance to participate at

that moment—to insert in the RECORD a press release relating to Mr. Benson's operation of the Department of Agriculture, which contains some pertinent and, if not polite, at least accurate comments about the Secretary's speech of just a few days ago.

Will the Senator permit me to ask unanimous consent that my statement be printed at the conclusion of his remarks so that those who are in the great fourth estate, our friends of the press, will know I have kept faith with them in the release of my statement today?

Mr. ELLENDER. I have no objection, Mr. President, so long as I do not lose the floor.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY CHARGES BENSON WITH FLAGRANT AND CYNICAL PARTISAN POLITICS ON CORN BILL

Senator HUBERT H. HUMPHREY today characterized Secretary of Agriculture Ezra Taft Benson's recent speech before the Republican women's conference as an attempt to "plunge our efforts to enact emergency corn legislation into partisan politics of the most flagrant and cynical kind."

"It is particularly shocking," Senator HUMPHREY said in a Senate floor speech, "that Benson's partisan attack should come at this particular time, when Members of the Senate from both parties are making a conscientious effort to get together on some kind of emergency legislation to avoid the disaster to corn and livestock markets that now faces us."

Senator HUMPHREY called Secretary Benson's remark that the bill is too late to do any good, an example of either "deliberate sabotage, or ignorance of the facts." "The truth is," Senator HUMPHREY said, "that this bill, regardless of whether it is passed tomorrow, next month, or next August, will have the extremely important effect of substantially increasing the volume of corn from this year's crop that will be eligible for price support loans at \$1.36 per bushel.

"The truth is further," HUMPHREY stated, "that Ezra Taft Benson is the man who bears major responsibility for the desperate crisis that confronts corn and livestock producers. This last effort is merely the most recent of many steps he has taken over the past year to bring about low corn prices and excessive production of livestock."

HUMPHREY said that Benson's mishandling of the corn problem was typical of a long "record of colossal blunder, colossal waste, and colossal failure. Ezra Taft Benson has not merely mismanaged our Nation's farm programs," HUMPHREY said, "he has deliberately sabotaged and wrecked them."

In detailing this indictment, Senator HUMPHREY spelled out the documentation and evidence he said supported 12 specific charges as follows:

1. Secretary Benson is personally responsible for the broken campaign promises of farm parity in the 1952 and 1956 election campaigns.

2. Secretary Benson has manipulated official figures and statistics, misrepresented facts, and drawn false conclusions to gain acceptance of his policies by those they were designed to injure.

3. Secretary Benson has obstructed and delayed action on necessary farm legislation repeatedly and thus effectively thrown roadblocks in the way of orderly congressional action.

4. Secretary Benson has resorted to pitting group against group in his attempt to discredit and destroy the farm programs he has inherited.

5. Secretary Benson has deliberately and consciously operated the Department of

Agriculture in a manner calculated to drive down prices received by farmers.

6. Consumers have not been helped by success of Benson efforts to drive down farm prices; farm prices dropped 18 percent, retail prices of food only 2½ percent.

7. The administration's policies have pushed farm family net income down from \$15.1 billion to \$11.6 billion, a drop resulting not from increased farm costs but lower gross income due to the decline in farm prices.

8. Secretary Benson has not reduced production, which is the major excuse he gave for lower price supports; instead, he cut farm income and raised production.

9. Secretary Benson's mismanagement of the farm programs has multiplied price support cost by 10 times, while reducing their effectiveness by 20 percent.

10. Secretary Benson repeatedly refused to use his legal authority to halt drops in prices of important livestock and poultry products at the authorized level of 90 percent of parity.

11. The policies pursued by the Eisenhower administration made the so-called surplus problem worse than ever before in history.

12. Secretary Benson, in full consciousness of the accuracy of these charges, attempts to defend his indefensible record by irresponsible partisan and personal attack on leading and experienced Democratic supporters of effective farm programs.

REGULATION OF THE MEATPACKING AND DISTRIBUTING INDUSTRY

Mr. WATKINS. Mr. President, on February 25, 1957, the Senator from Wyoming [Mr. O'MAHONEY] introduced for the two of us, S. 1356. This bill, if enacted, would:

First. Repeal the jurisdiction of the Secretary of Agriculture over meatpackers, as authorized in title II of the Packers and Stockyards Act.

Second. Amend the Federal Trade Commission Act so as to return to the Federal Trade Commission jurisdiction over the meatpacking and distributing industry.

I joined the Senator from Wyoming in cosponsoring S. 1356 because, since the transfer of authority to regulate unfair trade practices over packers from the FTC to the USDA in 1921, the Department of Agriculture has not provided effective administration of this authority, which is designed to maintain and preserve price competition in the meatpacking industry.

In a speech I made at that time, outlining my reasons for cosponsoring S. 1356, I noted that nonadministration by the USDA of title II of the Packers and Stockyards Act had led food chains and other nonpacker firms to buy a packing plant, or a small interest in a packing plant, so that by qualifying as a packer under that act, they could escape Federal Trade Commission enforcement of unfair trade practice provisions of the FTC act with respect to their food operations.

I called the attention of the Senate to the United Corp. case (110 F. 2d, 473) at that time. This was a case in which the FTC brought action for an alleged unfair trade practice against the United Corp., which then was engaged in the sale and distribution of canned meat products. After the FTC had filed its original petition, the defendant corporation acquired an interest in several packing companies.

At a time subsequent to this action, the corporation then filed a motion for dis-

missal of the FTC complaint with the appropriate Federal district court, on the grounds that it was a packer, and thus was not subject to the jurisdiction of the Federal Trade Commission. The court granted the defendant's petition, saying in part:

When petitioner here, by acquiring stock in Montel, Inc., and Emmart Food Products Co., became a packer within the meaning of the Packers and Stockyards Act and subject to the jurisdiction of the Secretary of Agriculture, the Trade Commission had no further power of regulation over it; and the fact that the Commission may have been considering regulation under a complaint theretofore filed is immaterial.

Mr. President, such activity by food chains seems on the increase. The reason is obvious. If they can escape FTC control by purchasing a packing facility, and the USDA continues to maintain an inadequate enforcement agency, they will have more flexibility in their operations than otherwise would be the case. Where this happens, the result is to give them a freedom of operation their competitors cannot enjoy. But such freedom—exemption from unfair trade practice regulations—could well be destructive of our free enterprise system, since it gives them an unfair advantage over their competitors and thus a means of eliminating publicly desired competition.

Another such case of recent date has been called to my attention. This case can be identified as FTC Docket 6458. On November 21, 1955, the Federal Trade Commission filed a complaint against Food Fair Stores, Inc., of Philadelphia, alleging that the corporation had engaged in unfair trade practices by contracting with suppliers to buy certain items for an anniversary sale at prices lower than the prices these suppliers were asking from the corporation competitors.

On December 17, 1956, an examiner upheld the complaint and the Commission subsequently upheld the examiner. On March 12, 1957, the Commission denied an application by Food Fair that the complaint be amended.

On March 20, 1957, Food Fair filed a motion with the FTC in which it was asked that the original complaint be dismissed on the grounds that the corporation was in the packing business and, consequently, not subject to the Federal Trade Commission Act as to its trade practices. It was argued that the corporation was subject to the Packers and Stockyards Act.

In the March 20 brief, it was pointed out that Food Fair owns a packing plant at Elizabeth, N. J. It was said that this plant was an integral part of the corporation's operations, and that in 1956 it sold approximately \$24 million worth of fresh and processed meats to outside jobbers. It was said that these outside sales would amount to approximately \$25 million.

In their brief, the lawyers for Food Fair argued:

It is not significant that the respondent is engaged in business endeavors that extend beyond its operations as a packer, and such separate and collateral endeavors are not subject to the Commission's jurisdiction. The courts and the Commission have so held.

Among others, the lawyers then cited the case of the United Corp. to which I have already referred.

Mr. President, in my judgment the public interest requires that this trend be stopped. There is only one way to do this, and that is to transfer the authority to prevent unfair trade in the meat-packing industry back to the Federal Trade Commission where it belongs. As I said at the time S. 1356 was introduced:

It is certain that if the Congress is ever going to be able to get effective administration of the laws it passes, it must recognize the need to group similar functions together for administrative purposes. Sound principles of organization dictate the reasonableness of this position. We have only ourselves to blame when we establish an independent agency, such as the Federal Trade Commission, to carry out a specific function such as the prevention of unfair trade practices, and then proceed to dismember that agency by transferring its functions to other agencies and departments not equipped or staffed to do the job.

Why do I say this with reference in particular to the meat-packing industry? Last July 6 I introduced S. 4177, which was designed to do the same as S. 1356, which the Senator from Wyoming [Mr. O'MAHONEY] and I have cosponsored this session. Yet it was not until December 21, 1956, nearly 6 months later, that the USDA rendered a report—a negative one at that—on S. 4177, although a report had been requested on July 10, only 4 days after it was introduced.

In light of the problems which have arisen because of USDA's failure to enforce vigorously title II of the Packers and Stockyards Act, and in light of this negative report, after a "study" period of 6 months, it would not seem unreasonable to expect the Department of Agriculture to come forth with a concrete, effective alternative to S. 4177 and S. 1356. This the Department has not done to date.

Since involved is the problem of regulating the third largest industry in this country one might expect the USDA, after opposing the transfer of this authority to the FTC, to ask for as substantial increase in its 1958 fiscal year budget request for the purpose of preventing unfair trade practices as required by title II of the Packers and Stockyards Act.

The USDA, in the absence of an effective alternative and after 26 years of nonenforcement of title II, has merely indicated that it will study "current activities and problems relating to the investigation and regulation under the Packers and Stockyards Act of trade practices in livestock buying and meat merchandising"—press release, February 20, 1957.

Such an announcement 7 months ago might have been better received as if the survey indicated the need to ask Congress for adequate funds or perhaps even to transfer supervisory authority over packers to the FTC.

The press release announcing this survey went on to state that:

With limited funds available for administration of the Packers and Stockyards Act

over the last 10 years, the Department has concentrated attention on those activities closest to the producers themselves, where it appeared that funds could be more efficiently spent and where the results would most certainly work to the direct and immediate benefit of producers.

Illustrations of these activities are then cited which clearly indicates that major emphasis has been placed upon the regulation of stockyard activities which, although desirable, should not have been concentrated upon to the virtual exclusion of trade-practice supervision.

It is being rumored that the USDA may relinquish its jurisdiction in the Food Fair case, to which I have made reference, should it be determined by the FTC itself, or the courts, that it, not FTC, has jurisdiction in the case. If this proves to be the case, it would be only further evidence of the fact that prevention of unfair trade practices in the food-processing industry should be vested in the FTC, as it was before 1921. If, on the other hand, the result in this case should be the same as it was in the United Corporation case, it also would be evidence in support of this contention that title II authority should be transferred back to the FTC. Why? Because, as I suggested, when S. 1356 was introduced, unless the Congress does this, the odds are against the USDA's being able to give effective regulation to the activities of national packers and food chains. As I put it on that occasion:

What more effective way is there to escape proper public regulation than to transfer such control from an effective and specialized agency such as the Federal Trade Commission, to another agency or department, and insure its burial in a three-employee section? A handful of people, in effect, are charged with regulating the third largest industry in the country.

The need for passage of S. 1356 is indicated by the fact that in the motion it filed with the FTC to dismiss the charge of unfair trade practice brought against it, the Food Fair Store, Inc., petition cites the remarks I made when S. 1356 was introduced, as evidence of the fact that the FTC does not have jurisdiction. In part, the motion reads:

Senator WATKINS, of Utah, the author of a bill (S. 1356) now pending in the Senate to confer upon the Commission jurisdiction in precisely the situation in issue here, stated the following on the floor of the Senate on February 25, 1957, in support of his bill: "I believe it is in the public interest that FTC control be extended over packers which enter into other sideline businesses—businesses which now escape such control because of USDA inaction, but whose competitors are subject to FTC control. The same need for public control applies to food firms, especially food chains, which now can acquire packing plants, or a substantial interest in one and thus escape FTC supervision over their entire operations."

In a few words, their action in filing this motion seems to have but one objective—finding a way to escape effective antitrust regulation. This is one of the loopholes S. 1356 is designed to close.

Mr. President, I ask unanimous consent that two articles relating to this matter be printed in the RECORD, first, an

article entitled "Food Chain Says It's Meatpacker," which appeared in the New York Times of March 25; the second, an article by Marvin Caplan and Art Carel, entitled "Food Fair Asks FTC Drop Case; Says It's a Single 'Packer,'" which appeared in the March 25 issue of the Super Market News.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 25, 1957]

FOOD CHAIN SAYS IT'S MEATPACKER—GROCERY COMPANY FIGHTING FTC CHARGE POINTS TO PLANT IN ELIZABETH, N. J.

WASHINGTON, March 24.—One of the country's large food store chains is asking the Federal Trade Commission to dismiss a complaint against it on grounds that it is a meatpacker.

The move by Food Fair Stores, Inc., a Philadelphia concern operating more than 200 grocery stores from New York to Florida, will be watched by the entire food industry. If successful, the action would remove the company from the jurisdiction of the Federal agency established to regulate interstate trade and competition.

If, as its lawyers contend, Food Fair Stores is a packer under the law, then it is subject only to the controls of the Department of Agriculture.

The Trade Commission complaint has been pending for 16 months. In November 1956, the agency charged the company—along with Giant Food Shopping Center, Inc., and 11 food manufacturers—with discriminating against competing retail grocers. The case has been in various stages of appeal since.

Last week Food Fair Stores changed tactics with a new petition asking that the case be dropped altogether.

CITES ELIZABETH PLANT

Food Fair Stores says in its petition that it owns a meatpacking plant in Elizabeth, N. J. It bought the plant in 1945 for \$265,000, and has since invested \$2,700,000 in buildings, equipment, and land.

It slaughters and prepares livestock, including cattle, lambs, and calves for market. Its meat products are marketed through independent jobbers and through its own stores. But the "greatest volume," says the petition, goes to the outside jobbers. This year the plant will do an estimated \$25 million in meatpacking business.

This dollar volume is only a fraction of the company's overall grocery store sales. These, the FTC says, run to \$348 million annually. But the company's lawyers say this is no part of the argument. They cite the Packers and Stockyards Act of 1921 to show that anyone engaged in packing meat is, for purposes of the law, a packer and subject to the jurisdiction of the Secretary of Agriculture.

The Food Fair lawyers said the Trade Commission showed its awareness of provisions of the Stockyards Act when last year it dismissed an oleomargarine complaint it had previously lodged against Armour & Co., the Chicago packer. In that case the Commission acknowledged lack of jurisdiction.

Recently Senator ARTHUR V. WATKINS, Republican, of Utah, and Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming, introduced a bill to place the whole meat packing and distributing industry back in the hands of the FTC.

Food Fair's attorneys used Mr. WATKINS' words in support of his bill to back their own contention that the agency would not now have jurisdiction over their client.

"I believe," Mr. WATKINS said in a Senate speech February 25, "it is in the public interest that FTC control be extended over packers which enter into other sideline busi-

nesses—business which now escape such control because of [Department of Agriculture] inaction, but whose competitors are subject to FTC control. The same need for public control applies to food firms, especially food chains, which now can acquire packing plants, or a substantial interest in one, and thus escape FTC supervision over their entire operations."

Food Fair's lawyers are Howard Engel, Louis A. Gravelle, and David C. Murchison, of the Washington firm of Sanders, Gravelle, Whitlock & Howrey.

Edward F. Howrey, a partner of the firm, was Chairman of the Trade Commission from March 1953 to August 1955, and Mr. Murchison was one of his associates.

[From the Supermarket News of March 25, 1957]

FOOD FAIR ASKS FTC DROP CASE—SAYS IT'S A PACKER

(By Marvin Caplan and Art Carel)

WASHINGTON, March 24.—Food Fair Stores, Inc., Philadelphia, asked the Federal Trade Commission at the weekend to dismiss all charges against the firm because it is a packer and therefore outside of the agency's jurisdiction.

The company's move came just as:

The Commission amended its original complaint against Food Fair to include a charge that it did not spend all the advertising allowance money it was paid in connection with special sales, but diverted a substantial sum to its own use.

An FTC attorney noted his intention to appeal to the full Commission from an examiner's dismissal of the case against J. H. Filbert, Inc., Baltimore, one of the suppliers charged with giving Food Fair special allowances, in connection with the chain's anniversary and candy carnival promotions, that they did not make available to Food Fair competitors on similar terms.

The most important and dramatic development, however, was the motion to dismiss that Food Fair attorneys addressed to FTC Examiner Frank Hier.

The attorneys, David C. Murchison, Louis Gravelle, and Howard Engel, argued that Food Fair's operation of a packing plant in Elizabeth, N. J., makes it a packer within the definition of the Packers and Stockyards Act of 1921 and, as a packer, jurisdiction over its acts and practices is vested exclusively in the Agriculture Secretary.

Filing of the motion by Food Fair was a direct result of an article in the February 4 issue of Supermarket News which disclosed for the first time that both USDA and FTC officials conceded that food chains which had meat packaging operations might be outside of FTC jurisdiction.

A Food Fair attorney said discussion on the possible filing was started because of questions raised in this article.

According to the motion, the company is already considered a packer by the Department of Agriculture.

This was confirmed by a USDA official, who said Food Fair is one of the firms listed in a card file of companies considered meat-packers by USDA under the Packers and Stockyards Act.

As a meatpacker, he said, Food Fair is required to file an annual report with the Department.

Food Fair, the motion says, became a packer on July 13, 1945, when it acquired the Elizabeth packing plant for \$265,000. Its investment in the plant, equipment and land is now about \$2,700,000.

The company says it distributes the livestock it prepares to independent jobbers and to its own stores, though most of the meat is sold to the jobbers.

For fiscal year ended April 30, 1957, Food Fair estimates it will sell, as a packer, about \$25 million worth of meat products. For fiscal 1956, its packing plant volume was \$24,346,316 and \$23,749,452 of that was in

sales to outside jobbers. For fiscal 1955, sales at its packing plant totaled \$23,843,034 and \$23,093,203 was in sales to jobbers.

After reviewing the broad definition of "packer" in the Packers and Stockyards Act, Food Fair attorneys said FTC does not have jurisdiction under the FTC Act.

They claimed that as the FTC Act is written, a "party allegedly engaging in 'unfair methods of competition' is expressly exempted from the Federal Trade Commission Act if such party is a 'corporation' within the meaning of the Packers and Stockyards Act."

The attorneys continued:

"It is not significant that respondent 'Food Fair' is engaged in business endeavors that extend beyond its operations as a packer, and such separate and collateral endeavors are not subject to the commission's jurisdiction."

They cited two FTC cases in which the jurisdictional issue was raised. They recalled that FTC's deceptive practice case against United Corp., Richmond, Va., was dismissed by an appellate court because the company, a marketer of canned meat products, acquired a 20 percent stock interest in two licensed packing companies. The court ruled that made the company a packer and removed it from FTC's jurisdiction even though the plants were acquired after the complaint was filed.

Last year, the attorneys said, FTC dismissed a complaint that Armour & Co. had misrepresented a margarine as a dairy product after Commission heads decided the firm was a packer and so, not subject to its jurisdiction.

Commenting on this particular point last week, Food Fair Attorney David C. Murchison said the Armour decision "confirms what we believe to be the fact all along, that the complaint against Food Fair cannot stand up."

The motion also reviewed some of the legislative history of the Packers and Stockyards Act to document the claim that "Clearly Congress * * * intended to cover all operations and business of companies subject to the act."

The Commission's decision to amend the complaint against Food Fair came after Examiner Frank Hier refused to do it. However, FTC did not reverse Mr. Hier.

The added paragraph charges that in connection with anniversary and candy carnival sales in 1954, 1955, and 1956 it was Food Fair's practice not to use all the money received from its suppliers to advertise their products during the sales but to divert substantial amounts of such payments to its own use.

During 1955, FTC says, Food Fair obtained \$216,770 from 278 suppliers for a 4-week anniversary sale starting April 21, and did not spend all the money on advertising.

A similar motion to amend the complaint against Giant Food Shopping Center, Inc., Washington, is pending before the Commission. Presumably a charge will be added to that complaint, too.

Both Giant and Food Fair were accused in November 1955 of inducing special advertising allowances for their special sales when they know their suppliers were not making similar arrangements with their competitors. FTC charges that is a violation of section 5 of the FTC Act.

Filbert and 10 other suppliers were charged with violating section 2 (D) of the Robinson-Patman Act by granting the special allowances to 1 or both of the 2 chains without making them available to competitors on proportionally equal terms.

Earlier this month, Mr. Hier dismissed the Filbert case, because he felt the FTC attorneys prosecuting it had failed to show there was any competition on an interstate level affected by the transaction between Filbert and Food Fair. The matter now goes before the full Commission.

DEVELOPMENT OF FOREIGN AIR COMMERCE

The Senate resumed the consideration of the bill (S. 1423) to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1423, a bill to amend section 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended.

The bill is open to amendment.

Mr. HUMPHREY. The bill is in charge of the distinguished senior Senator from Washington [Mr. MAGNUSON]. I do not know if he has any comments to make on it.

Mr. MAGNUSON. Mr. President, the bill was unanimously reported by the Committee on Interstate and Foreign Commerce. I merely wish to submit the report for the Record, which states the purposes of the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Will the Senator make a brief explanation of the bill for the Record?

The PRESIDING OFFICER. Does the Senator from Minnesota yield the floor?

Mr. HUMPHREY. Mr. President, I wonder if the Senator from Oregon will withhold his request for a moment, in line with an earlier request which had been made of the junior Senator from Minnesota by the minority leader.

Mr. MORSE. I withhold my request.

Mr. HUMPHREY. I thank the Senator. I yield to the minority leader.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the Record, immediately following the report of the committee, certain letters and a statement.

I should like to ask the Senator from Washington if he has placed into the Record the committee report.

Mr. MAGNUSON. I am getting it now.

Mr. KNOWLAND. I ask unanimous consent that, immediately following the committee report, there may be printed in the Record, a letter I received from Mr. Robert C. Hill, Assistant Secretary of State, pointing out certain objections which the Department of State had to the pending legislation, and pointing out that similar comments on the bill were made last year when the bill was passed by the Senate; also, following the letter, a copy of the comments of the Department of State on the bill; and a letter dated March 28, from Mr. Sinclair Weeks, Secretary of Commerce, to me, in which objections to the bill in its present form are expressed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, I now have a copy of the report, and I had intended to ask to have it printed in the Record, but I find it is against the rules. I therefore ask that Senators read the report.

The letters and statement ordered to be printed in the Record on request of Mr. KNOWLAND are as follows:

85TH CONGRESS
1ST SESSION

H. R. 7764

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1957

Mr. EVINS introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (6) of section 5 (a) of the Federal
4 Trade Commission Act, as amended (66 Stat. 632; 15
5 U. S. C. 45 (a) (6)), is amended to read as follows:

6 “(6) The Commission is hereby empowered and di-
7 rected to prevent persons, partnerships, or corporations,
8 except banks, common carriers subject to the Acts to regu-

1 late commerce, and air carriers and foreign air carriers sub-
2 ject to the Civil Aeronautics Act of 1938, from using unfair
3 methods of competition in commerce and unfair or deceptive
4 acts or practices in commerce.”

5 (b) Section 2 (a) of the Packers and Stockyards Act,
6 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
7 182), is amended by striking out:

8 (1) from the title thereof, the words “meat food
9 products”, and the words “livestock products”;

10 (2) paragraph (5) thereof;

11 (c) Section 2 (b) of such Act (7 U. S. C. 183) is
12 amended by striking out the words “and meat-packing in-
13 dustries, whereby livestock, meats, meat food products, live-
14 stock products, dairy products, poultry, poultry products, or
15 eggs,” and inserting in lieu thereof the words “industry,
16 and whereby livestock,”.

17 (d) Title II of such Act (7 U. S. C. 191–195) is
18 repealed.

19 (e) Sections 401 and 403 of such Act (7 U. S. C. 221,
20 223) are amended by striking out, in each such section
21 wherever they appear, the word “packer”, and the words
22 “Packer or any live poultry dealer or handler,”.

23 (f) Section 502 (a) of such Act (7 U. S. C. 218a (a))
24 is amended by striking out the words “packers as defined

1 in title II of said Act and railroads", and inserting in lieu
2 thereof the words "a railroad".

3 (g) Section 502 (b) of such Act (7 U. S. C. 218a (b))
4 is amended by inserting, immediately after the words "this
5 Act", the words "or the Federal Trade Commission Act."

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

By Mr. EVINS

MAY 24, 1937

Referred to the Committee on Interstate and Foreign
Commerce

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 27, 1957
For actions of June 26, 1957
85th-1st, No. 111

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HIGHLIGHTS: (See Page 6).

HOUSE

1. APPROPRIATIONS. Conferees were appointed on H.R. 5189, the Interior appropriation bill for 1958, which includes Forest Service items. Senate conferees were appointed June 24.
Agreed to the conference report on H.R. 6287, the Labor-HEW appropriation bill for 1958. pp. 9328-33
Received conference report on H.R. 6070, the independent offices appropriation bill for 1958 (H. Rept. 648). pp. 9322-24, 9355
2. PEANUTS. The Agriculture Committee reported with amendment H.R. 6764, to amend the act of June 24, 1936, so as to delete the requirement for reports from persons owning or operating peanut picking or threshing machines (H. Rept. 646). p. 9355
3. ADVISORY COMMITTEES. The Rules Committee reported a resolution for consideration of H.R. 7390, to amend the Administrative Expense Act of 1946 so as to establish standards for certain advisory committees. pp. 9333, 9355
4. LANDS; RECLAMATION. The Interior and Insular Affairs Committee ordered reported with amendment H.R. 2147, to provide for the construction by Interior of the San Angelo reclamation project, Tex., H.R. 6940, to authorize Interior to reimburse owners of lands acquired under the Federal reclamation laws for their moving expenses, and H.R. 8054, to provide for the leasing of oil and gas deposits in lands beneath inland navigable waters in Alaska. p. D582

5. FISCAL POLICY. The Joint Economic Committee issued a report on fiscal policy implications of the economic outlook and budget developments (H. Rept. 647). p. 9355
 6. EXPERIMENT STATIONS. Received from this Department the annual report on the State agricultural experiment stations. p. 9355
 7. MONETARY PROBLEMS. Both Houses received a report on the activities of the National Advisory Council on International Monetary and Financial Problems (H. Doc. 200). pp. 9219, 9355
 8. COOPERATIVES. Rep. Becker inserted a newspaper editorial favoring Federal income taxation on cooperative corporations in the same manner as other business corporations. p. 9328
 9. TRANSPORTATION. Passed with amendment H.R. 5728, to modify the general corporate powers and utilization of funds, and increase the borrowing authority of the St. Lawrence Seaway Development Corporation. pp. 9334-49
 10. FOREIGN TRADE. Rep. Lanham criticized the foreign trade policies of the State Department. pp. 9352-53
- SENATE
11. PEANUTS. Passed without amendment S. 609, to repeal the requirement for certain reports from operators of peanut picking or threshing machines. pp. 9266-7
 12. TOBACCO. Passed without amendment H.R. 7259, establishing type 21 Virginia fire cured tobacco as a separate kind of tobacco for marketing quota purposes and limiting its price support level to an amount not in excess of the higher of (a) the 1957 level or (b) 90% of parity. This bill will now be sent to the President. p. 9267
 13. RECREATION. Passed as reported S. 846, to establish a National Outdoor Recreation Resources Review Commission of 15 members, including 8 from Congress and 7 from private life, to develop a national policy for outdoor recreation and encourage recreational uses of national resources. pp. 9270-2
 14. DISASTER RELIEF. Sen. Humphrey urged disaster aid for flood-stricken areas in Minn., and inserted his letter to the Secretary, a news article, and a petition on the flood problem. pp. 9253-7
 15. RESEARCH. Sen. Capehart urged more extended agricultural research and inserted two articles on the uses for farm products. pp. 9262-4
 16. LIVESTOCK. The proposed amendments to S. 1356, to transfer the jurisdiction over unfair trade practices in the meatpacking industry to the FTC, offered by the American Meat Institute, were criticized by Sen. Watkins on the grounds that the Department of Agriculture never issued a cease and desist order to any packer. pp. 9309-11
 17. PRICE SUPPORTS. Received from the Secretary a proposed bill to authorize CCC to acquire title to unredeemed loan collateral without obligation to make equity payments; to Agriculture and Forestry Committee.

ties, and State capitals all across the country.

Most States and their local governments are hard up for the money to meet insistent demands for more and better schools and roads, improved sewer and water facilities, better mental hospitals, and the like.

American industry, at the same time, is branching out, expanding, building more new plants than ever before in history. There's plenty of new taxpaying industry for almost any State or locality to acquire if the right combination of lures is offered.

Lighter taxes are being seized upon as one device for creating a more attractive climate for business. Officials—and economists—are not at all sure how big a part taxes play in the selection of industrial sites. Yet governors, mayors, and county boards have been naming tax-study commissions by the dozens and instructing them to come up with sure-fire formulas for tax programs that will raise revenue without repelling new businesses.

In North Carolina, a State tax commission recommended sweeping changes in the State's tax structure to make corporation levies "competitive" with those of other States seeking new industries.

Minnesota's Governor, accepting a similar commission's recommendations for 60 tax changes, endorsed the group's statement that "it is our unanimous conviction that the program as a whole will give Minnesota a vastly improved tax system," and provide "a better tax environment for business in Minnesota."

In Massachusetts, the Governor calls attention to that State's financial crisis, while the Federal Reserve Bank of Boston suggests that taxes on industry are too high in that State and nominates the sales tax for any new revenue-raising program there.

In Michigan, new proposals for stiffer taxes on corporations have involved Gov. G. Mennen Williams in public controversy with the auto industry—a key industry in Michigan's economy. A General Motors official reminds the Governor that many of GM's new plants already have been built in other States.

While all this goes on, the country's expanding suburban communities are deep in study of ways to attract the industry needed to balance their local economies. Some, particularly in the South, are offering industry special inducements in the form of specific tax exemptions.

One of the fastest-growing suburbs—Fairfax County, Va., just outside Washington, D. C.—has reversed a decision to adopt a business-license tax. The telling argument was that the tax might handicap small firms getting a start in the county.

The big issue involves the question of how important high or low taxes really are in influencing the selection of new industrial sites. The question has been raised in all, or most, of the campaigns to attract industry with tax favors.

The president of General Motors, Harlow H. Curtice, indicates that taxes play a major role in decisions as to where that particular corporation builds its new plants.

"The present level of business taxation in Michigan," Mr. Curtice is quoted in the Detroit "Free Press" as saying, "has already led us to locate plants in other States, where the taxes per General Motors job are less than one half of the present taxes per job in Michigan. . . . This also will be taken into consideration in the placement of additional plants."

Governor Williams takes the other view. Big business, he says, has been threatening to move out ever since a corporation tax first was proposed in Michigan in 1949. "There is no indication of grass in our streets," he notes, "and there won't be."

A new survey of this issue, "Taxes and Plant Location in Michigan," has just been completed by the Michigan Executive Study

Group, made up of business executives and faculty members of the University of Michigan.

What this group concludes is that "taxation as a factor in industrial location is rarely of primary importance." Taxes, in other words, need to be taken into account and usually are, "but rarely will this factor alone be the deciding issue in a location decision."

The Michigan group bases its findings on its own survey of industrial development in Michigan, and on a study of dozens of other surveys of the tax issue made in other States and communities around the country.

State taxes, in particular, the group finds, are relatively unimportant in plant location decisions. In fact, the report states, "it is particularly clear that at the State level no clear relationship between tax burdens and industrial growth can be shown."

Michigan, it's admitted, "must be classed as a high-tax State by most standards." Also, it is agreed, "Michigan today is growing industrially at a rate less than that for the Nation as a whole and less than the rate for some of its competitors in the east-north-central region."

However, the main reasons for the slower growth in Michigan, the group finds, are not in the field of taxation.

Local taxes, the group finds, may be more significant than tax burdens at the State level in influencing the location of industry. While the major nontax factors are more likely to determine the State or region in which a plant will be built, the local tax situation may play a fairly important role in a company's decision on where to locate within a State.

"Nearby communities more or less equal in other cost respects," notes the report, "may differ enough in tax rates and assessment practices to make one appear more favorable than the other would be."

Even in this case, the group finds, industry may be inclined to pay too much attention to apparent differences in tax burdens.

Tax differences themselves may be illusory. It's difficult, the group finds, to measure tax burdens precisely, particularly for property taxes. Assessment practices, for example, vary from community to community and can confuse comparisons.

Even where local taxes really are relatively low, the Michigan group warns, this does not always mean low costs for business. The company that selects low-tax community A may find that it must, at its own expense, provide itself with community services that are offered publicly in higher tax community B.

Future taxes, rather than present burdens, are found to be more important to industry than some business executives realize.

"The likelihood that taxes will remain stationary is slight," says the Michigan study group, but "the task of forecasting what future taxes will be depends on so many variables that it is at best an uncertain undertaking."

This factor is given importance in the movement of industry out of big-city confines into surrounding suburban areas. Shifts from Detroit into its suburbs, the group finds, are being blamed on high taxes in the city, as well as on the need of industry for more space.

Vanishing differentials: Trouble with these efforts to escape high taxes, says the Michigan report, is "that tax differentials available to industry by locating outside the boundaries of high-tax communities tend to disappear rather quickly." It seems that industrial expansion in an outlying community may be followed by population growth that results in demands for all kinds of improved and costly community services.

The report cites the case of "suburban communities near Detroit, where the recent influx of population and the high birth rate will impose tremendous burdens on the school system and on other public services."

Taken in perspective, the group says in summary, "the consideration of tax burdens appears to be most fruitful for the manufacturing corporation after the choice of locations has been narrowed to a few communities, in order to determine 1 or 2 sites at which costs of operation can be kept at a minimum."

Mr. NEUBERGER. Mr. President, in conclusion, I should like to say that I appreciate the privilege of having addressed the Senate on this important subject at the time the Senate was presided over by the former distinguished Governor of the State of Ohio [Mr. LAUSCHE], one of the great States of the Union, because his presence here, as well as the presence of other governors who now serve in the Senate, is a symbol of the interlocking relationship between the States and the Federal Government, and this relationship must be solved financially and with respect to the particular sovereignty of the realm of government involved.

Mr. President, I yield the floor.

PROPOSED AMERICAN MEAT INSTITUTE AMENDMENTS TO S. 1356

Mr. WATKINS. Mr. President, last Friday the Subcommittee on Antitrust and Monopoly ordered S. 1356 reported to the full Judiciary Committee. This bill would amend the Packers and Stockyards Act of 1921 and the Federal Trade Commission Act so as to return to the FTC, where it was before 1921, jurisdiction over unfair trade practices in the meatpacking industry. Violations complained of are under title II of that act.

Among the reasons which caused the Senator from Wyoming [Mr. O'MAHONEY] and me to introduce this bill to return such authority the FTC, is a need to prevent food chains and other firms from: First, buying an interest in a meatpacking plant; and/or, second, acquiring facilities to merely process carcass animals for retail sale, and thereby escape the jurisdiction of the FTC as to its trade practices.

On April 4, 1957, I invited the Senate's attention to the fact that Food Fair Stores, Inc., had petitioned the FTC to dismiss a complaint filed against it for an alleged unfair trade practice under section 5 of the FTC Act on the grounds that it was a packer within the meaning of that term as defined by the Packers and Stockyards Act of 1921. On April 18, 1957, I invited the Senate's attention to the fact that on that same day a FTC hearing examiner had ruled in favor of upholding this Food Fair petition, since, in his opinion, this firm was a packer and thus subject to the Packers and Stockyards Act.

That act defines a packer as—

Any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or

(d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs, in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

(1) Such person is also engaged in any business referred to in clause (a) or (b) of this section, or unless;

(2) Such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, any interest in any business referred to in clause (a) or (b) of this section, or unless;

(3) Any interest in such business of manufacturing or preparing livestock products, or in such marketing business is owned or controlled directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, by any person engaged in any business referred to in clause (a) or (b) of this section, or unless

(4) Any person or persons jointly or severally, directly, or indirectly through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 percent or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 percent or more of such power or control in any business referred to in clause (a) or (b) of this section. (August 15, 1921, ch. 64, sec. 201, 42 Stat., p. 160.)

Section 406 (b) excludes a firm so defined from FTC jurisdiction by providing that—

On or after the enactment of this act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this act is made subject to the jurisdiction of the Secretary, except in cases in which, before the enactment of this act, complaint has been served under section 5 of the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, * * *" (Aug. 15, 1921, ch. 64, sec. 406, 42 Stat. 169; 7 U. S. C. 227).

The basis of Food Fair's petition was that since it owned a meat-packing plant, its entire operations—retail grocery business, which amounted to \$475 million in 1956, and its packing plant which, by comparison, did \$25 million worth of business—were exempt from FTC supervision. This was urged in spite of the fact that its alleged violation of section 5 of the FTC Act was in connection with the grocery-store operations rather than its meatpacking operations. If the FTC upholds this ruling of the hearing examiner, as I said on that and other occasions, we can expect to see further reliance upon this broad legal definition of a packer by firms who seek to escape prevention of unfair trade practices by the FTC.

In support of this contention, I should like to point out that on June 18, 1957, the Giant Food Shopping Center, Inc., a corporation which operates a chain of 36 supermarkets here in the District of Columbia, Virginia, and Maryland, petitioned the FTC to dismiss a complaint issued under section 5 of the FTC Act against it by the FTC on November 21, 1955. A supplemental complaint was filed May 14, 1957, alleging that it had engaged in additional unfair trade prac-

tices prohibited also by section 5 of the FTC Act.

Mr. President, Giant Food Shopping Center does not even own a packing plant, as does Food Fair Stores, or even have a 20-percent interest in one. All it owns are facilities to prepare retail cuts of meat from carcasses of steers, calves, lambs, and so forth, purchased from bona fide packers for sale in its 36 stores. This is pointed out by its petition, which states in part:

At the time of delivery, these carcasses are not in the form in which they are merchantable to the public at retail in respondent's stores. Hence, the respondent, to make them marketable, must prepare them by trimming, fabricating, cutting, slicing, grinding, mixing, and otherwise manufacturing and/or preparing meat and/or meat food products from these carcasses or portions thereof. Having done this, respondent, in its stores, prices the meat and meat food products thus manufactured and/or prepared, packages them, places them on sale, and sells them to the consuming public (p. 3).

The background of this action by Giant Food Shopping Center clearly indicates, Mr. President, that in taking this action this food chain was motivated by the hearing examiner's ruling in the Food Fair case. A letter to Mr. Robert R. Rolnick, attorney for the Giant Food Shopping Center, from Mr. Edward L. Thompson, Acting District Supervisor, Packers and Stockyards Branch, Livestock Division, USDA, makes these facts plain: On June 17, 1957, the day before this corporation filed its motion with the FTC, Giant Food Shopping Center delivered to the Packers and Stockyards Branch an executed copy of the report form the USDA requires of all packers. That very day the District Packers and Stockyards Branch office reviewed that report and under that date informed the Giant Food Shopping Center by letter that, because it was "engaged in the business of manufacturing and/or preparing meat or meat food products for sale or shipment in the District of Columbia," it was a packer subject to the jurisdiction of the Packers and Stockyards Act.

On the next day, June 18, 1957, the motion to dismiss the complaint was filed with the FTC. Referring to the Food Fair case the petition states:

In the most recent of these matters, Food Fair Stores, Inc., supra, the hearing examiner in his initial decision, relying on *Armour & Company, supra*, and *United Corporation v. FTC* (110 F. 2d 473 (C. A. 4, 1940)), dismissed the complaint against Food Fair in which the Commission had alleged violations which were virtually identical to those alleged against this respondent. Especially interesting is the hearing commissioner's specific finding with respect to the latter:

"Express findings on this motion then are: "1. Respondent comes within the definition of 'packer' as set out in title 7, United States Code, section 191, not only as to its Elizabeth, N. J., plant but as an entity."

The stampede seems to be on. It is not too far fetched to expect that every restaurant chain in America could escape FTC jurisdiction over its trade practices by this route. Likewise, it appears that any corporation which buys

carcas animals and retails the meat through cafeterias or restaurants to its employees, or the public, could qualify as a "packer" under the present law.

Why have Food Fair Stores, Inc., and now the Giant Food Shopping Center sought to cloak themselves with immunity from FTC jurisdiction by such legal maneuvers? The only answer can be that since S. 1356 was introduced on February 25, 1957, as a bipartisan attempt by Senator O'MAHONEY and myself to correct this situation, these firms have learned that the virtual nonenforcement of the packer provision of the Packers and Stockyards Act of 1921 by the USDA is preferable to the effective regulation of the FTC. What facts are available to support this statement? Namely, these:

First. The USDA has never issued a cease and desist order involving preferences, restraints, price fixing, and discriminations against a packer, as defined by the Packers and Stockyards Act, which related to the wholesaling or retailing of nonmeat food products or nonfood products. Is it any wonder then that food chains which sell hundreds of food and nonfood products in their supermarkets prefer USDA to FTC jurisdiction?

Second. The USDA has not issued a cease and desist order involving similar unfair trade practices against a packer which relates to the wholesaling or retailing of a meat product in the last 18 years.

Passage of S. 1356 will remedy this situation by giving to the FTC authority to prevent unfair trade practices in the wholesaling and retailing of meat, nonmeat food and nonfood products. This was the situation before passage of the Packers and Stockyards Act of 1921.

However, proposals made to the subcommittee by the American Meat Institute, lobbyist for the big national packers who oppose S. 1356, and the USDA, would give to the FTC jurisdiction only over the wholesaling and retailing activities of a firm not principally engaged in meatpacking or processing.

On the other hand, the great majority of the groups which testified before the Antitrust and Monopoly Subcommittee or filed statements with the subcommittee urged the Senate to give the FTC such authority over the wholesaling and retailing activities of all firms. Why? Because the firms these spokesmen represent must compete with the packers in the wholesaling and retailing of meat, of nonmeat food products, and of nonfood products. Yet, as they pointed out to the subcommittee, while they are subject to the effective enforcement of the Federal Trade Commission Act, as were the Big Five packers before 1921, these packers and others as well as are subject to the Packers and Stockyards Act under title II of which the USDA has not issued a cease-and-desist order involving the wholesaling and retailing of meat in the last 18 years. Under this same authority also, the USDA has never issued a cease and desist order against a packer in the wholesaling or retailing of a nonmeat food or nonfood product. The AMI and

the USDA proposals thus would continue the present system of two sets of trade practice rules: one for the big packers which is not effectively enforced by the USDA, and one set for their competitors which is effectively enforced by the FTC.

These witnesses and the firms they represent are concerned in light of this situation, because 3 of the biggest packers, represented by the AMI, were 1920 consent-decree signers who recently have petitioned the courts to set aside those portions of that order which would permit these packers to process and sell 140 food and nonfood products, own and operate retail meat markets, sell fresh milk and cream, and operate distribution facilities for handling these products in direct competition with wholesale and retail foodstores.

Should this petition be granted, these firms fear, and rightly so, the ramifications continued USDA noninterest in the enforcement of the unfair trade practices of title II would have upon their businesses, since to all intent and purpose these 3 of the biggest 10 packers would be free, as other packers now are, to expand into every segment of the food industry, and nonfood industries as well.

But whether the consent decree modification is granted or not, the activities of these packers outside the area prohibited by the consent decree are so extensive that their competitors—food firms, nonfood firms, and small packers—are likely to be hurt unless the big national packers are required to operate under the same set of trade practice rules under which they must operate. In this respect, it should be noted that in 1950, 1 or more of the 4 largest packers shipped 21 classes of food products in interstate commerce and 58 classes of nonfood products. Non-meat food products comprised 6.6 percent of their total shipments. Nonfood products, exclusive of byproducts of their meat operations, constituted 6.7 percent of their total shipments in interstate commerce, and nonfood byproducts shipped accounted for an additional 4.9 percent. Thus, 18.2 percent of their total shipments comprised nonmeat food and nonfood products.

Yet, these packer-owned operations now are not subject to the FTC, but their competitors are subject to the jurisdiction of that effective agency. Nor under the AMI and USDA proposals would these big packers be subject to the FTC. The present situation without doubt gives, and these proposals would continue to give in the future, an unfair competitive advantage to packer-owned enterprises. Under these circumstances who, as a competitor of Swift & Co., would not be concerned about this situation when in 1955 that firm, for example, produced 4 percent of the Nation's butter; 8 percent of the cheese; 9 percent of the margarine; 19 percent of the salad and cooking oil; and 15 percent of the shortening?

Why, these witnesses ask, and rightly so in my opinion, should the trade practices of a firm like Wilson Sporting Goods, selling nonfood products, be under USDA while its competitors like

Spaulding, as it would under the USDA and AMI proposal, continue to be subject to the FTC? Why they ask, should Swift and Armour in the wholesaling of non-meat food products such as cheese, canned milk, eggs, soups, and so forth, be under the USDA and their competitors like Campbell Soup Co. and Safeway Stores continue to be under the FTC, as the USDA and the AMI propose?

In closing, Mr. President, let me say that I agree with Mr. E. M. Norton, the spokesman for the National Milk Products before the Senate Subcommittee, who on that occasion said:

The only conclusion we are able to draw—is that the Packers and Stockyards Act has effectively shielded the packers from regulation under the Federal Trade Commission Act and that * * * the unfair trade practices of the packers have not been subject to adequate control under title II of the Packers and Stockyards Act.

Enactment of S. 1356 as reported by the Subcommittee on Antitrust and Monopoly to the Judiciary Committee in a large measure will remedy this situation.

SUPPLEMENTAL APPROPRIATIONS FOR THE POST OFFICE DEPARTMENT FOR THE FISCAL YEAR 1958

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House Joint Resolution 379.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 379) making supplemental appropriations for the Post Office Department for the fiscal year 1958, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 379).

Mr. HAYDEN. Mr. President, the joint resolution provides for an appropriation of \$133 million, which is \$16 million under the budget estimate. The Senate Committee on Appropriations reported the joint resolution to the Senate without amendment. So if the joint resolution is passed this evening, it can go to the President and be signed.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. KUCHEL. First of all, I wish to invite the attention of Senators to a statement in the Senate committee report which reads as follows:

The committee feels that one of the major contributions to rural life in this country was the establishment of free delivery mail service to our farmers. Therefore, in providing supplemental funds for the operation of the Department, the committee desires to see a continuation of the present daily rural route service.

The Senator from California agrees, and I am sure the Senate agrees. I congratulate the chairman of the committee for the inclusion of that lan-

guage in the report. However, I wish to read something which was somewhat distressing to some of us. I read a few sentences from the report of the House committee on the same subject.

The committee—

That is, the House committee—

cannot too strongly emphasize that with the modern trend to a 5-day workweek the Department should re-examine city delivery service and effect such reductions in Saturday service as are in keeping with the pattern of business, industry, and suburbia generally. With a stated maximum savings of \$70 million possible were it necessary to order complete cessation of Saturday service, proper exercise of administrative discretion should result in savings of lesser, but still consequential amounts.

I should like to ask the very able chairman of the Senate Appropriations Committee, the distinguished senior Senator from Arizona, if in his opinion the moneys made available to the Post Office Department by the joint resolution are sufficient to permit Saturday mail service during the next fiscal year.

Mr. HAYDEN. I think there is no doubt about it. I believe that if we accept the figure allowed by the House, the Department can get along with it.

Mr. KUCHEL. I thank the Senator very much. Some people in the country, and some Members of the Senate, have been somewhat apprehensive that action by Congress would indicate the necessity or advisability of curtailing the service of the Post Office Department on Saturdays. The American people do not want service discontinued on Saturdays.

I completely disagree with the wording in the House committee report, because in my judgment that is not a proper place to economize in the Department.

I merely wished to make a very brief record with respect to the important problem of Saturday mail deliveries. I thank the able Senator from Arizona for his statement that the Post Office Department can conduct its business on Saturdays next year as it has done in the past, with the money made available by the joint resolution.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to associate myself with what the Senator from California has said. I commend the Committee on Appropriations of the Senate for its report, eliminating certain items in the House bill.

In particular, I note that the subcommittee makes no recommendation regarding the zoning of second- and third-class bulk mail. The House report suggested that \$5 million annually would be saved if such zoning were required. During the House debate on Monday certain Members recommended that the Postmaster General issue such a zoning regulation.

From the very limited information at present available to the Senate Post Office and Civil Service Committee, I do not believe it is possible to determine whether such a zoning regulation is desirable. It has been contended that such a regulation is not workable; that the Department will be forced to establish a special division to enforce the regulation.

Senators should remember that postal zones are constantly changing. Our committee learned about a year ago that the postmaster at San Francisco had abandoned the zoning system as impractical. Mailers would find it impossible to keep abreast of shifting zone numbers. Postmasters themselves would be unable to determine whether the mailing material submitted to them complied with the zoning regulation.

While the Postmaster General undoubtedly has discussed this suggestion with both the Senate and House Appropriations Committees, he has not submitted the zoning proposal to the Senate Post Office and Civil Service Committee is best equipped to judge the merits or failings of mandatory zoning.

I wish to assure my colleagues that the Senate Post Office and Civil Service Committee will move promptly to ascertain the advantages or disadvantages of a zoning requirement for second- and third-class mail. I am sure the Department will cooperate fully with our group to the end that savings can be achieved without causing hardship to individual mailers and the Department itself.

Again I wish to commend the committee and also the Senator from Arizona for his reply to the Senator from California in regard to the Saturday mail delivery.

Mr. DOUGLAS. Mr. President, I should like the privilege of asking a series of questions of the distinguished Chairman of the Committee on Appropriations, in order to develop what is actually happening in connection with the appropriations for the Post Office Department.

First, am I correct in understanding that the House reduced the requested budget of the Post Office Department by \$58 million?

Mr. HAYDEN. Originally; yes.

Mr. DOUGLAS. And that the report of the Committee on Appropriations of the Senate, Report No. 297 of this year, continued that reduction?

Mr. HAYDEN. It did.

Mr. DOUGLAS. Was any of that cut restored on the floor of the Senate?

Mr. HAYDEN. No.

Mr. DOUGLAS. So that when the original bill was passed by the Senate, a cut of \$58 million was in effect.

Mr. HAYDEN. That is correct.

Mr. DOUGLAS. Am I correct in understanding that almost immediately the Postmaster General came forward with a request for a supplemental appropriation for \$149½ million?

Mr. HAYDEN. That is correct.

Mr. DOUGLAS. So that he wanted to get back his \$58 million that had been cut, plus \$91½ million, in addition?

Mr. HAYDEN. That is correct.

Mr. DOUGLAS. Is it true that the Postmaster General threatened that if the money was not given to him, Saturday deliveries would cease and various vital services would be eliminated?

Mr. HAYDEN. No; I do not believe he put it in the nature of a threat. He said he might be compelled to take such action.

Mr. DOUGLAS. That is using polite language, is it not? That was what

would happen if he were not granted the increase. Is that not correct?

Mr. HAYDEN. Anyway, that statement was made.

Mr. DOUGLAS. So that now we are about to give him \$133 million more; therefore, instead of giving him \$58 million less, he winds up with \$75 million more than he originally asked for. Is that correct?

Mr. HAYDEN. Last year the Senate Committee on Appropriations went over the budget estimate very carefully and decided that a certain amount of money was necessary in order to carry on the functions of the Post Office Department. The House would not agree. We had 3 or 4 conferences, and finally arrived at a place where we split the difference. However, we told the House of Representatives at that time that Congress was not appropriating enough money properly to carry on the functions of the Post Office Department for a year. It turned out that what we said was true. In addition to that, there has been a 4-percent increase in the volume of mail.

Mr. DOUGLAS. Is it not also true that the Postmaster General overspent his sums for the first quarter of the fiscal year, namely, for July, August, and September, and also for the very crucial month of October, and then did not have much money left, and had to ask for a supplemental appropriation?

Mr. HAYDEN. I believe the Senator will find that there was no quarter overspending. The money was divided as required by law over the stated periods of time. However, the volume of business increased very heavily, and increased the deficit in the second and third quarters.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. If there is any feeling that there was any threat on the part of the Postmaster General, I may say that it was at the specific instance of the Appropriations Committee of the House of Representatives that the Postmaster General should indicate to the committee what he would have to do if he did not get supplemental funds. It was no threat on his part. It was simply a matter of providing the facts and the data which had been requested of him, and which he promptly supplied. He then presented the same data to the Senate subcommittee of the Committee on Appropriations. That is the matter that is before us.

The chairman of the committee is eminently right, because the figures indicate a tremendous increase in the mail volume; and it is either a case of curtailing the mail service or having sufficient money with which to administer the growing volume of mail.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. It is inconceivable to me that a Government bureau which spends over \$3 billion a year cannot effect economies. For example, the Postmaster General has not modernized the delivery of mail, particularly in the sorting of the mail at the great central post

offices or great central junctions, where the railway mail is distributed to the different sections of the country. He has not mechanized the delivery of mail, although the machinery for that purpose is available.

For years now the senior Senator from Illinois has been urging that the city letter carriers be put on wheels, on motor bicycles, so that the load may be taken off the carriers' backs. That would at once speed up the delivery and would make it possible for the carriers to serve more households.

There are a whole series of economies which a businesslike Postmaster General could put into effect, but which the present Postmaster refuses to have anything to do with.

The Senator from Arizona may not call it a threat, because he is a very polite man. However, when the Postmaster General is urged to effect some economies, his answer is not an improvement in the service, but a reduction in the service, feeling that the heat will be turned on by the patrons of the Post Office and that Senators and Representatives will be forced to make a restoration of the appropriations. Is that correct?

Mr. HAYDEN. I may say that in the regular appropriation bill we provided a considerable additional amount of money for modernizing post offices and putting in carrier systems in some of the larger cities. The suggestion made by the distinguished Senator from Illinois with respect to putting letter carriers on wheels is being adopted.

Mr. DOUGLAS. Very slowly and very imperfectly.

Mr. HAYDEN. It turns out that they have a very convenient little three-wheeled vehicle which enables the letter carriers to carry twice the load they carried before, and also, in addition to making city mail delivery, to make parcel post deliveries.

Mr. DOUGLAS. The Senator from Illinois has been urging it for 7 years.

Mr. HAYDEN. That is what is happening.

Mr. DOUGLAS. I always thought the Postmaster General was an expert on transportation, inasmuch as he had a large General Motors automobile dealership. It is extraordinary to me that it has taken all these years to get him to adopt the three-wheeled motor bike idea. He is approaching it only in a very diluted form, I may say.

Mr. HAYDEN. It is a very convenient little vehicle. It is manufactured in Omaha, Nebr. It is not a General Motors product.

Mr. DOUGLAS. I am glad to hear that. What I am trying to point out is this. I believe the Postmaster General is trying to bludgeon Congress and the country into giving him the money, and has refused to adopt operating efficiencies and economies, which could reduce expenses. Furthermore, he has refused to deal with the railroads, to whom larger sums are being paid for carrying the mail than would be justified on any competitive basis, with the figures loaded on car capacity for the peak days of the week instead of the actual amount for

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 9, 1957
For actions of July 8, 1957
85th-1st, No. 118

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HIGHLIGHTS: Senate passed bills to: Extend authority for Federal administration of ACP. Provide standby authority for crop reinsurance in Puerto Rico. Sen. Humphrey criticized USDA disaster relief efforts in Minn.. Sen. Humphrey introduced and discussed bill to provide for control of noxious weeds on Federal lands.

SENATE

1. CROP INSURANCE. Passed without amendment H.R. 632, to extend standby authority for crop reinsurance to Puerto Rico. This bill will now be sent to the President. p. 9894
2. SOIL CONSERVATION. Passed as reported H.R. 1045, to extend until Dec. 31, 1962, the authority of the Secretary to administer the agricultural conservation payment program pending approval of State plans for administration of the program.
3. APPROPRIATIONS. Sen. Johnson inserted a table showing Senate action on the various appropriation bills. p. 9894
4. DISASTER RELIEF. Sen. Humphrey criticized the Department's efforts to bring assistance to flooded farmers in Minn., and inserted his letter to the Secretary urging coordinated action, and three farmer resolutions requesting special FHA loans. pp. 9919-20
5. MEATPACKING. The Daily Digest announced that the Judiciary Committee "defeated an amendment proposed by Sen. Dirksen to S. 1356, to amend the anti-trust laws by vesting in FTC jurisdiction to prevent monopolistic practices in commerce in the meat industry." p. D622

6. NEWSPRINT. At the request of Sen. Talmadge passed over S. Con. Res. 20, authorizing FTC to investigate newsprint producers. p. 9887
7. RECREATION. At the request of Sens. Barrett and Talmadge passed over S. 1164, to make the evaluation of recreational benefits part of the planning for any water resources project. p. 9887
8. ATOMIC ENERGY. At the request of Sen. Clark passed over S. 2051, to amend the Atomic Energy Act of 1954 to provide liability protection for nuclear power-plants. p. 9887
9. TRANSPORTATION. At the request of Sen. Clark passed over S. 377, to make final certain contracts between the Government and common carriers. p. 9887
10. PERSONNEL. At the request of Sen. Barrett passed over S. 25, to relate the effective date of wage-board employees wage increases to the wage survey date. p. 9887
11. SAFETY. At the request of Sen. Barrett passed over S. 931, to reorganize the safety functions of the Government. p. 9887
12. WATER RESOURCES. At the request of Sen. Barrett passed over S. Con. Res. 28, to print a compilation of materials relating to the development of water resources in the Columbia River Basin. p. 9887
13. HOUSING. At the request of Sens. Talmadge and Barrett passed over H.R. 4602, to encourage veteran's residential construction in rural areas by raising the maximum limits for direct loans. p. 9887
14. FOREIGN TRADE; SURPLUS COMMODITIES. Sen. Humphrey inserted Sen. Cooper's statement before the Senate Agriculture and Forestry Committee on the operation under Public Law 480. pp. 9880-2
15. FLOOD CONTROL. Sen. Johnson urged greater efforts to control floods in the Southwest. pp. 9839-40
16. MARKETING. Sen. Wiley inserted a resolution from the Milwaukee city council urging enactment of H.R. 4504, to provide Federal aid in financing produce market improvements. p. 9840
17. ELECTRIFICATION. S. 2406, to construct improvement works for power in the Niagara River, became the Senate's unfinished business. pp. 9875, 9888, 9897-8
Sen. Morse inserted a letter criticizing private power companies for urging that private utilities construct the John Day dam. p. 9855
18. LEGISLATIVE PROGRAM. Sen. Johnson announced that until disposition of H.R. 6127, the Civil Rights bill, "The minority leader has pointed out that he does not intend to have other proposed legislation brought before the Senate except measures of an extreme emergency nature which can be agreed on by unanimous consent." pp. 9897-8

HOUSE

19. PUBLIC LANDS. Rep. Natcher discussed the problems of local communities caused by Federal ownership of large areas of land, and suggested that "every effort should be made by the Federal Government to release as much of this land as possible which is not necessary for the security of our Nation." pp. 9952-53

Daily Digest

HIGHLIGHTS

Senate passed 37 measures on call of calendar, and debated motion to consider civil rights bill.

House worked on military public works bill and sent Defense Department appropriation bill to conference.

Senate

Chamber Action

Routine Proceedings, pages 9839-9875

Bills Introduced: 21 bills and 3 resolutions were introduced, as follows: S. 2476-2496, S. J. Res. 117 and 118; S. Con. Res. 40.

Page 9841

Bills Reported: Reports were made as follows:

S. 1866, to amend act requiring inspection and certification of certain vessels carrying passengers (S. Rept. 582); and

S. Con. Res. 40, S. 441, 1365, 1815, 1896, 1227, 1370, 1767, 2009, 366, 1387, 1685, 1736, H. J. Res. 323, private bills (S. Repts. 583-596, respectively).

Pages 9840-9841

Private Bill: Senate agreed to House amendment to Senate amendment to H. R. 1359, a private bill, clearing it for the President.

Page 9850

Call of Calendar: On call of calendar, 37 measures, of which 24 were private, were passed, as follows:

Without amendment and cleared for President:

Puerto Rico crop insurance: H. R. 632, to authorize the Federal Crop Insurance Corporation to provide reinsurance on any crop or plantation insurance provided in Puerto Rico by a duly authorized agency of Puerto Rico; and

Private bills: 3 private bills: H. R. 1754, 4342, and H. J. Res. 316.

With amendment, to be sent back to House:

Soil conservation: H. R. 1045, to amend the Soil Conservation and Domestic Allotment Act, and the Agricultural Adjustment Act; and

Private bills: 2 private bills: H. R. 2070 and H. J. Res. 324.

Without amendment and cleared for House:

Reno, Nev.: S. 1773, to validate conveyance of certain portions of right-of-way in Reno, Washoe County, Nev.;

South Dakota judges: S. 2413, to clarify the authority of the President to fill the judgeship for district of South Dakota and to repeal the prohibition against filling the next vacancy occurring in the office of district judge for such district;

Missing Persons Act: S. 2449, to extend the effectiveness of the Missing Persons Act until April 1, 1958;

Flag of Liberation: S. J. Res. 103, to provide for the permanent preservation and proper display of the Flag of Liberation; and

Private bills: 2 private bills: S. 562, 1335.

With amendment and cleared for House:

Veterans' pensions: S. 2080, computation of annual income for purpose of payment of pension for non-service-connected disability or death;

Clark County, Nev.: S. 556, conveyance of certain property in Clark County, Nev.;

Las Vegas, Nev.: S. 1645, to grant easements in certain lands to city of Las Vegas, Nev.;

Coal: S. 2069, to amend the Mineral Leasing Act in order to promote the development of coal on the public domain; and

Private bills: 17 private bills: S. 294, 591, 1268, 1321, 1353, 1452, 1496, 1502, 1528, 1641, 1783, 1071, 1276, 1472, 1478, 1509, 1570.

Resolutions adopted without amendment:

Gratuities: S. Res. 157, 158, and 159, authorizing payment of gratuities to survivors of deceased Senate employees.

Pages 9886-9894

Civil Rights: Senate debated Knowland motion to consider H. R. 6127, to protect the civil rights of persons within the jurisdiction of the U. S.

Pages 9898-9919

Niagara River: Senate made its unfinished business S. 2406, authorizing the construction of certain works of improvement in the Niagara River for power.

Pages 9875, 9897-9898

Nominations: Four civilian nominations were received.

Page 9921

Program for Tuesday: Senate recessed at 6:32 p. m. until noon, Tuesday, July 9, when it will be in order for the transaction of routine business with a limitation on speeches of 3 minutes, following which Senate will continue debate on Knowland motion to consider H. R. 6127, the civil rights bill.

Pages 9886, 9920-9921

Committee Meetings

(Committees not listed did not meet)

FEED CLAIMS

Committee on Agriculture and Forestry: Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices held hearings on S. 860, 926, and H. R. 2486, bills to authorize the CCC to grant relief with respect to claims arising out of deliveries of eligible surplus feed grains on ineligible dates in connection with purchase orders under its emergency feed programs. Testimony was heard from Representatives Poage and Fisher; Kenneth L. Scott, Director, Agricultural Credit Services, James W. Browning, Assistant to the Administrator, Commodity Stabilization Service, and A. F. Rounsaville, of Dallas, and Louis J. Roth, San Francisco, both of Commodity Stabilization Service field offices, all of the Agriculture Department.

Hearings continue tomorrow.

D. C. PROPERTY, AND HOME RULE

Committee on the District of Columbia: Subcommittee on the Judiciary held hearings on H. R. 6508, providing for a uniform succession of real and personal property in cases of intestacy in D. C., with testimony favoring its enactment from Representative Hyde, Irving Bryan, Assistant D. C. Corporation Counsel, and James A. Crooks, representing the D. C. Bar Association.

Subcommittee also held hearings on S. 1289, to provide an elected mayor, city council, school board, and nonvoting delegate to House of Representatives for the D. C., and S. 1846, to provide an appointed governor and lieutenant governor, and an elected legislative assembly and nonvoting delegate to the House of Representatives for the D. C. Testimony was received from Senator Morse, who favored S. 1289 with amendments; Robert E. McLaughlin, president of the D. C. Board of Commissioners, who favored S. 1846; and Melvin Hildreth, Democratic National Committeeman for D. C., who favored a home rule bill. Hearings on these bills continue tomorrow.

FINANCIAL INVESTIGATION

Committee on Finance: Committee continued its financial investigation hearings, and received further testimony from Secretary of the Treasury George M. Humphrey.

Hearings continue tomorrow.

TREATIES

Committee on Foreign Relations: Subcommittee held hearings on protocol to international convention for regulation of whaling (Ex. E, 85th Cong., 1st sess.), and interim convention on conservation of North Pacific fur seals (Ex. J, 85th Cong., 1st sess.), hearing testimony

from William C. Herrington, Special Assistant for Fisheries and Wildlife, and Warren Looney, both of the State Department; and Seaton H. Thompson, Fish and Wildlife Service, Interior Department.

GSA PROPOSALS

Committee on Government Operations: Committee announced that its Subcommittee on Reorganization will hold an executive session at 10 a. m., on July 11, room 357, Senate Office Building, to consider GSA proposals.

FISH FARM EXPERIMENTATION

Committee on Interstate and Foreign Commerce: Subcommittee held and concluded hearings on S. 1552, to establish a program of research for development of commercial production of fish on flooded rice acreage, receiving testimony from the following witnesses, all of whom generally favored the bill, but with certain suggested amendments: Senator Fulbright; Dr. John White, University of Arkansas; Roy Pruvitt, a fish farmer from Lonoke, Ark.; Dr. Lloyd Meehan and W. F. Carbine, both of the Fish and Wildlife Service, Interior Department; Charles Callison, National Wildlife Federation, Washington, D. C.; and Charles Jackson, National Fisheries Institute, Washington, D. C.

NOMINATIONS, PRIVATE BILLS, AND MEAT INDUSTRY

Committee on the Judiciary: Committee, in executive session, ordered favorably reported the nominations of George Harrold Carswell to be U. S. attorney for the northern district of Florida, Dallas A. Gardner, Jr., to be U. S. marshal for the eastern district of South Carolina, Thomas J. Lunney to be U. S. marshal for the southern district of New York, and Charles P. Moriarty to be U. S. attorney for the western district of Washington; and 14 private immigration bills (S. Con. Res. 40, H. J. Res. 323, S. 366, 441, 1227, 1365, 1370, 1387, 1685, 1736, 1767, 1815, 1896, 2009).

Committee indefinitely postponed further action on 10 private immigration bills (S. 141, 265, 367, 852, 1099, 1207, 1607, 1655, 2227, 2390).

Also, the committee defeated an amendment proposed by Senator Dirksen to S. 1356, to amend the anti-trust laws by vesting in FTC jurisdiction to prevent monopolistic practices in commerce in the meat industry.

SMALL BUSINESS

Select Committee on Small Business: Subcommittee on Government Procurement announced that its hearings on small business programs of the military departments, originally scheduled for July 9 and 10, had been postponed until July 11 and 12.

Calendar No. 706

85TH CONGRESS
1ST SESSION

S. 1356

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1957

Mr. O'MAHONEY (for himself and Mr. WATKINS) introduced the following bill;
which was read twice and referred to the Committee on the Judiciary

JULY 18 (legislative day, JULY 8), 1957

Reported by Mr. O'MAHONEY, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That ~~(a)~~ subsection ~~(6)~~ of section 5 ~~(a)~~ of the Federal
4 Trade Commission Act, as amended ~~(66 Stat. 632; 45~~
5 U. S. C. 45 ~~(a) (6))~~, is amended to read as follows:

6 ~~“(6)~~ The Commission is hereby empowered and di-
7 rected to prevent persons, partnerships, or corporations, ex-
8 cept banks, common carriers subject to the Acts to regu-

1 late commerce, and air carriers and foreign air carriers sub-
2 ject to the Civil Aeronautics Act of 1938, from using unfair
3 methods of competition in commerce and unfair or deceptive
4 acts or practices in commerce.”

5 ~~(b) Section 2 (a) of the Packers and Stockyards Act,~~
6 ~~1921, as amended (42 Stat. 159, as amended; 7 U. S. C.~~
7 ~~182), is amended by striking out:~~

8 ~~(1) from the title thereof, the words “meat food~~
9 ~~products”, and the words “livestock products”;~~

10 ~~(3) paragraph (5) thereof;~~

11 ~~(c) Section 2 (b) of such Act (7 U. S. C. 183) is~~
12 ~~amended by striking out the words “and meat packing in-~~
13 ~~dustries, whereby livestock, meats, meat food products, live-~~
14 ~~stock products, dairy products, poultry, poultry products, or~~
15 ~~eggs,” and inserting in lieu thereof the words “industry,~~
16 ~~and whereby livestock,”.~~

17 ~~(d) Title II of such Act (7 U. S. C. 191-195) is~~
18 ~~repealed.~~

19 ~~(e) Sections 401 and 403 of such Act (7 U. S. C. 221,~~
20 ~~223) are amended by striking out, in each such section~~
21 ~~wherever they appear, the word “packer”, and the words~~
22 ~~“Packer or any live poultry dealer or handler,”.~~

23 ~~(f) Section 502 (a) of such Act (7 U. S. C. 218a (a))~~
24 ~~is amended by striking out the words “packers as defined~~

1 in title II of said Act and railroads", and inserting in lieu
2 thereof the words "a railroad".

3 ~~(g)~~ Section 502 ~~(b)~~ of said Act ~~(7 U. S. C. 218a~~
4 ~~(b))~~ is amended by inserting, immediately after the words
5 "this Act", the words "or the Federal Trade Commission
6 Act."

7 That (a) subsection (6) of section 5 (a) of the Federal
8 Trade Commission Act, as amended (66 Stat. 632; 15
9 U. S. C. 45 (a) (6)), is amended to read as follows:

10 "(6) The Commission is empowered and directed to
11 prevent persons, partnerships, or corporations, except banks,
12 common carriers subject to the Acts to regulate commerce,
13 and air carriers and foreign air carriers subject to the Civil
14 Aeronautics Act of 1938, from using unfair methods of com-
15 petition in commerce and unfair or deceptive acts or practices
16 in commerce."

17 (b) Section 2 (a) of the Packers and Stockyards Act,
18 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
19 182), is amended by striking out:

20 (1) paragraph (3) thereof; and

21 (2) paragraph (5) thereof.

22 (c) The title of such Act (7 U. S. C. 181, et seq.) and
23 the title of the Act where it appears in the preamble of the
24 Act of August 14, 1935 (49 Stat. 648), are amended by

1 striking out the words "livestock products, dairy products"
2 and the words "poultry products, and eggs".

3 (d) Section 2 (b) of such Act (42 Stat. 159; 7 U. S. C.
4 183) is amended by striking out the words "and meat-
5 packing industries, whereby livestock, meats, meat food prod-
6 ucts, livestock products, dairy products, poultry, poultry
7 products, or eggs," and inserting in lieu thereof the words
8 "industry, and whereby livestock".

9 (e) Title II of such Act (42 Stat. 160; 7 U. S. C. 191-
10 195) is repealed.

11 (f) Sections 401 and 403 of such Act (42 Stat. 168;
12 7 U. S. C. 221, 223) are amended by striking out, in each
13 such section wherever they appear, the word "packer", and
14 the words "packer or any live poultry dealer or handler,".

15 (g) Section 502 (a) of such Act (49 Stat. 648; 7
16 U. S. C. 218a (a)) is amended by striking out the words
17 "packers as defined in title II of said Act and railroads",
18 and inserting in lieu thereof the words "a railroad".

19 (h) Section 502 (b) of such Act (49 Stat. 648; 7
20 U. S. C. 218a (b)) is amended by inserting, immediately
21 after the words "this Act", the words "or the Federal Trade
22 Commission Act".

23 (i) Section 503 of such Act (49 Stat. 649; 7 U. S. C.
24 218b) is amended by striking out the first sentence thereof.

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

By Mr. O'MAHONEY and Mr. WATKINS

FEBRUARY 25, 1957

Read twice and referred to the Committee on the
Judiciary

JULY 18 (legislative day, JULY 8), 1957

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 25, 1957
For actions of July 24, 1957
85th-1st No. 131

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HIGHLIGHTS: House Rules Committee cleared bills to exempt from quotas certain wheat used on farm where produced, and to provide self-help meat promotion program. Senate committee submitted report on bill to transfer certain work under Packers and Stockyards Act to FTC.

HOUSE

1. WHEAT; MEAT PROMOTION. The Rules Committee reported resolutions for consideration of H. R. 8456, to exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm where produced, and H.R. 7244, to amend the Packers and Stockyards Act so as to permit deductions for a self-help meat promotion program. p. 11454
2. HUMANE SLAUGHTER. The "Daily Digest" states that the Rules Committee "granted an open rule with 1 hour debate on H. R. 8308, relating to humane slaughter of livestock." p. D688
3. ELECTRIFICATION. The Interior and Insular Affairs Committee voted 16 to 14 to not report H. R. 5, to authorize the construction of the Hells Canyon dam. p.D688
4. WATER UTILIZATION. The Interior and Insular Affairs Committee ordered reported with amendment S. 1556, to grant the consent of Congress to Mont., N. Dak., S. Dak., and Wyo. to negotiate and enter into a compact relating to their interest in, and the apportionment of, the waters of the Little Missouri River. p. D688

5. FOREIGN TRADE. The Ways and Means Committee ordered reported H. R. 38, to amend the Tariff Act of 1930 so as to provide for the temporary free importation of casein, and H. R. 7096, to exempt istle and Tampico fiber from the Tariff Act of 1930. p. D689
6. APPROPRIATIONS. Agreed to the conference report on H. R. 7665, the Defense Department appropriation bill for 1958. pp. 11389-96
7. DROUGHT RELIEF. Rep. Rogers urged that Mass. be declared a disaster area in order that "Federal help can be made available to those farmers and others needing immediate assistance." p. 11453
8. ATOMIC ENERGY. Rep. Coad discussed the effects of radioactive fallout and radiation, and inserted a newspaper article on the matter. p. 11450
9. PATENTS. A subcommittee of the Judiciary Committee ordered reported with amendment H.R. 8194, to fix the fee payable to the Patent Office, and ordered "adversely reported H.R. 2522, and similar bills, relating to patent extensions." p. D688

SENATE

10. FARM PROGRAM. Both Houses received from this Department a proposed bill to repeal the law which permits inter-warehouse grain shipments without the cancellation of warehouse receipts in certain circumstances, subject to USDA regulations; to Senate Agriculture and Forestry Committee and House Agriculture Committee. pp. 11328, 11453
11. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 1384, to revise the definition of contract carrier by motor vehicle (S. Rept. 703). p. 11330
12. MEATPACKING. The Judiciary Committee submitted its report on unfair practices in the meatpacking industry, to accompany S. 1356, which transfers to the FTC jurisdiction over monopolistic acts in that industry (S. Rept. 704). p. 11330
13. WILDERNESS. Sen. Humphrey inserted a Ravalli County, Mont., Fish and Wildlife Ass'n resolution favoring H. R. 500 and other bills to establish a National Wilderness Preservation System. p. 11329
14. FEDERAL-STATES RELATIONS. Sen. Frear inserted a Del. House resolution supporting efforts to restore certain rights to the States. p. 11328
15. INTEREST RATES. Sen. Martin inserted an editorial, "The Treasury's Dilemma," on the problem of interest rate increases and the public debt. p. 11335
16. INFLATION. Sen. Monroney inserted an editorial and an article on inflation which contended present controls were insufficient, and discussed the farm income problem with Sen. Gore. pp. 11341-2
17. SMALL BUSINESS. Sen. Mansfield inserted a letter urging improvements in the Small Business Administration. pp. 11335-6
18. TAX AMORTIZATION. Sen. Morse inserted a column on tax loopholes and stated that tax laws had lead to "grand larceny within the law," under the present Administration. p. 11337

UNFAIR PRACTICES IN THE MEAT PACKING INDUSTRY

JULY 24 (legislative day, JULY 8), 1957.—Ordered to be printed

Mr. O'MAHONEY, from the Committee on the Judiciary, submitted the following

REPORT

together with
MINORITY VIEWS

[To accompany S. 1356]

The Committee on the Judiciary, to which was referred the bill (S. 1356), to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute, and recommends that the bill, as amended, do pass.

AMENDMENT

On page 1, line 3, strike all after the enacting clause and insert in lieu thereof the following:

That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (66 Stat. 632; 15 U. S. C. 45 (a) (6)), is amended to read as follows:

“(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the Acts to regulate commerce, and air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce.”

(b) Section 2 (a) of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 182), is amended by striking out:

- (1) paragraph (3) thereof; and
- (2) paragraph (5) thereof.

(c) The title of such Act (7 U. S. C. 181, et seq.) and the title of the Act where it appears in the preamble of the Act of August 14, 1935 (49 Stat. 648), are amended by striking out the words "livestock products, dairy products" and the words "poultry products, and eggs".

(d) Section 2 (b) of such Act (42 Stat. 159; 7 U. S. C. 183) is amended by striking out the words "and meat-packing industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs," and inserting in lieu thereof the words "industry, and whereby livestock".

(e) Title II of such Act (42 Stat. 160; 7 U. S. C. 191-195) is repealed.

(f) Sections 401 and 403 of such Act (42 Stat. 168; 7 U. S. C. 221, 223) are amended by striking out, in each such section wherever they appear, the word "packer", and the words "packer or any live poultry dealer or handler,".

(g) Section 502 (a) of such Act (49 Stat. 648; 7 U. S. C. 218a (a)) is amended by striking out the words "packers as defined in title II of said Act and railroads", and inserting in lieu thereof the words "a railroad".

(h) Section 502 (b) of such Act (49 Stat. 648; 7 U. S. C. 218a (b)) is amended by inserting, immediately after the words "this Act", the words "or the Federal Trade Commission Act".

(i) Section 503 of such Act (49 Stat. 649; 7 U. S. C. 218b) is amended by striking out the first sentence thereof.

PURPOSE OF THE AMENDMENT

The purpose of the amendment in the nature of a substitute is to correct certain typographical and technical errors in the bill as introduced. The amendment makes no substantive changes in the measure.

PURPOSE

The purpose of the proposed legislation, as amended, is to amend the Packers and Stockyards Act of 1921 so as to transfer jurisdiction from the Department of Agriculture to the Federal Trade Commission over unfair trade practices in the meatpacking industry. The bill thus gives to the Federal Trade Commission jurisdiction as to packers under the Federal Trade Commission Act, the Clayton Act, as amended by the Robinson-Patman Act and other statutes administered by the Federal Trade Commission which might be applicable to practices engaged in by packers. The bill also gives the Federal Trade Commission jurisdiction over unfair trade practices by poultry dealers and handlers. This legislation in no wise affects the exclusive jurisdiction of the Department of Agriculture to enforce title III of the Packers and Stockyards Act.

STATEMENT

The Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary held hearings during the 84th Congress, 2d session, dealing with the meatpacking industry and its operations, their effect on the producer of livestock and their effect on the American consumer of meat products. During this investigation, the subcommittee discovered that the meatpacking industry had escaped effective regulation of its trade practices as a result of the failure of the Department of Agriculture adequately to enforce the unfair trade practices provisions of the Packers and Stockyards Act of 1921. This led to the introduction of S. 1356 jointly sponsored by Senators O'Mahoney and Watkins on which hearings were held between May 1 and May 15, 1957.

The serious economic condition of farmers and livestock producers in recent years has emphasized the need for effective legislation to curb practices which reduce their share of the national income. From 1949 to 1956, farm income in the United States declined from \$12.7 billion to \$11.6 billion, according to the Economic Indicator prepared for the Joint Economic Committee by the Council of Economic Advisers. In the first 4 months of 1957, the level of farm income declined still further to a rate of \$11.5 billion. Dividends, on the other hand, rose from \$7.5 billion in 1949 to \$11.9 billion in 1956. During the period 1947 to 1956 farmers' cash receipts from the sale of livestock and livestock products declined from \$16.5 billion to \$16.3 billion. In this same period farm animal slaughter increased significantly. While prices received by the livestock producer declined 29 percent from 1947 to 1956, the retail cost of meat and meat products to the consumer declined only 5 percent. In summary, the spread between the price received by the producer and the price received by the retailer has widened, with the processor receiving the benefits of lower livestock prices.

The Packers and Stockyards Act, in title II, gave to the Secretary of Agriculture the responsibility for regulating persons and companies broadly defined as packers and, in title III, jurisdiction over certain stockyards of greater than a stated minimum size. S. 1356 deals only with the packer provisions of this act, and in no way interferes with the responsibilities of the Secretary of Agriculture over stockyards in title III.

Congress enacted the Packers and Stockyards Act following a detailed and productive investigation of the meatpacking industry by the Federal Trade Commission during 1917-19 and a further investigation by the Department of Justice which culminated in a civil antitrust case against the five largest packing companies in 1920. This case was settled by the issuance of a consent decree restraining the five companies from engaging in certain practices and business operations.

During the 36 years in which the Packers and Stockyards Act has been in force, however, the Department of Agriculture has given little attention to the unfair trade practice provisions of the act. Unfair trade practices by meatpacking companies have gone almost unchecked. Included in this category are buying practices of packers at country buying points and marketing practices in the sale and distribution of meat and meat products at both wholesale and retail. Agriculture's failure to prevent discriminatory practices in the

distribution of meat, meat products, and nonfood products over which it has jurisdiction stems largely from its lack of interest in problems not directly related to the livestock producer.

Recent court decisions and administrative rulings interpreting the Packers and Stockyards Act are making it possible for many companies to escape regulations by the Federal Trade Commission. The result has been to subject certain firms to strict supervision under laws administered by the Federal Trade Commission, while their competitors' activities are practically unregulated under the law administered by the Secretary of Agriculture. Many companies, including retail food stores, are qualifying as "packers" under the broad definition of that term in the Packers and Stockyards Act and are thereby removed from the jurisdiction of the Federal Trade Commission. This has resulted in one set of rules governing the activities of one corporation in an industry and another set of rules governing the activities of its competitors.

Because of these recent developments in the law, a large number of people representing many different phases of the food industry have vigorously supported S. 1356. These people support this bill because of the fear that meatpackers would enjoy a competitive advantage over them by escaping regulation by the Federal Trade Commission. Among these diverse groups are wholesale grocers, milk producers, food brokers, independent businessmen, consumer, supply, and service cooperatives, candy wholesalers, dry-goods distributors, and various segments of the fishing industry. Thus, while the major thrust of this bill is directed at the meatpacking industry, it also affects many people in other phases of the food industry.

The producer of every agricultural crop which is processed into groceries is affected by vigorous enforcement of laws which prevent monopolistic practices by food chains in the same manner as the producer of livestock is affected by the prevention of such practices by packers. One of the farmer's principal shields in his desire to forestall further diminishing of his share of the consumer's dollar is the Federal Trade Commission with its power to investigate and prohibit unfair and monopolistic practices.

ANALYSIS OF THE BILL

In paragraph (a) of the bill, the Federal Trade Commission Act (66 Stat. 632; 15 U. S. C. 45 (a) (6)) is amended by removing from subsection (6) of section 5 (a) the language which now exempts from the terms of that act "persons, partnerships, or corporations subject to the Packers and Stockyards Act." If this amendment were to become effective, subsection (6) of section 5 (a) would read as follows:

The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the Acts to regulate commerce, and air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938 from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce.

Paragraph (b) of the bill amends title I, "Definitions," of the Packers and Stockyards Act, 1921 as amended (42 Stat. 159, as amended; 7 U. S. C. 182) by striking from that title the definitions of

"meat food products" and "livestock products," since these terms appear only in title II, and with the repeal of that title by paragraph (e) of this bill, are no longer needed in the act.

Paragraph (c) of the bill amends the title of the Packers and Stockyards Act by striking from it the words "livestock products, dairy products" and "poultry products, and eggs." With this amendment the title would read "An Act to regulate interstate and foreign commerce in livestock and poultry, and for other purposes." The same amendment would be made by this paragraph with respect to the title of the act where it appears in the preamble of the act of August 14, 1935 (49 Stat. 648), which added title V, "Live Poultry Dealers and Handlers," to the Packers and Stockyards Act. Both amendments would be made to make the title of the act consistent with the repeal of title II.

Paragraph (d) of the bill amends the "commerce" provision of the act, section 2 (b), by striking the words "and meatpacking industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs," and inserting in place of this language the words "industry, and whereby livestock." As amended, this "commerce" provision would refer only to the livestock industry. This amendment is proposed to make the "commerce" provision of the act consistent with the repeal of title II.

Paragraph (e) of the bill would repeal title II, "Packers," of the Packers and Stockyards Act. This title defines the term "packer" and describes unfair trade practices in which it is unlawful for packers to engage. The title also sets out enforcement procedures which the Secretary of Agriculture follows in the enforcement of the act. Appeals procedure is also contained in this title. Other titles of this act contain their own enforcement procedures which are not affected by the repeal of title II.

Paragraph (f) amends sections 401 and 403 of the Packers and Stockyards Act. Section 401 requires certain persons and agencies to keep accounts of all transactions. Section 403 makes certain persons subject to the act liable for the acts of their agents. For purposes of consistency with the repeal of title II, paragraph (f) deletes from these sections the words "packer" and "packer or any live poultry dealer or handler," wherever they appear.

Paragraph (g) amends section 502 (a) of the Packers and Stockyards Act, which authorizes and directs the Secretary of Agriculture to designate cities where unfair, deceptive, and fraudulent practices and devices in the handling of live poultry exist and to require licenses for live poultry handling, except by packers and railroads, in such areas. Paragraph (g) strikes the word "packer" from this provision of the act to make it consistent with repeal of title II.

Paragraph (h) of the bill amends section 502 (b) of the Packers and Stockyards Act which provides for revocation of poultry dealer licenses for acts or practices violating the Packers and Stockyards Act by adding acts or practices prohibited by the Federal Trade Commission Act.

Paragraph (i) of this bill amends section 503 of the Packers and Stockyards Act by striking from that section the first sentence which added the words "or any live poultry dealer or handler" after the word "packer" in a number of sections of the act. This change is also made for purposes of consistency.

HISTORY AND BACKGROUND

Beginning in about 1900, the meatpacking industry was the subject of attention from the Department of Justice and the Federal Trade Commission because of the market power which developed among the top companies in the industry. In 1917 and 1918, a thorough investigation was conducted by the Commission at the request of the President of the United States. On July 3, 1918, the Commission reported its findings in a six-volume report to the President, stating that the largest meatpackers—Swift, Armour, Morris (later merged with Armour), Wilson, and Cudahy—"control at will the market in which they buy their supplies, the market in which they sell their products, and hold the fortunes of their competitors in thier hands." They were said to have "a monopolistic control" over the American meat industry, as well as control similar in purpose, if not extent, over substitutes for meat, such as eggs, cheese, and vegetable-oil products. It was shown that they had gained control of the major stockyards and many important companies rendering services in stockyards as well.

As a result, the Department of Justice filed a civil complaint against these "Big Five" companies on February 27, 1920, alleging an unlawful combination by the companies, and, simultaneously, a consent decree was issued by the court. By this decree the defendants were enjoined and restrained from, among other things, engaging in the public-stockyard business, engaging in the retail business, both in meat and other lines, and dealing in the so-called unrelated lines of food and other items, which were defined and enumerated, and particularly in all lines of wholesale groceries.

For over 2 years after the FTC report was issued, Congress considered several bills designed to provide regulation of the industry. The Packers and Stockyards Act of 1921 was the culmination of this study of the problem by Congress. Two separate patterns of legislative action appeared in this act. Title III prohibited unfair and deceptive practices by stockyards owners, market agencies, and dealers in livestock. Title II, on the other hand, dealt exclusively with packers, as broadly defined by the act, and prohibited such packers from engaging in enumerated unfair or deceptive practices. The act also took away from the Federal Trade Commission the jurisdiction over unfair trade practices in the meatpacking industry which it had possessed under the various antitrust statutes. The Secretary of Agriculture was given exclusive jurisdiction over unfair trade practices as defined in title II, and, in section 406 (b), he was given the right to request the Federal Trade Commission to make investigations and report to him. By this same section 406 (b), the Federal Trade Commission was excluded specifically from jurisdiction over "any matter which by this act (Packers and Stockyards) is made subject to the jurisdiction of the Secretary" (Agriculture), except as to certain then pending matters and except when requested to investigate by the Secretary.

The idea of excluding the Federal Trade Commission was a very controversial one when the law was enacted. Senator La Follette referred to the "signal service to the country, to producers and consumers, and to the packing industry itself" which had been rendered by the FTC during its 1917-19 investigation, and he objected to any limitation of its powers (Congressional Record, June 16, 1921, p. 2702). Senator Smoot inserted into the record of the debate a statement ob-

tained from an attorney for Wilson & Co., indicating packer approval of the bill if the FTC were not to have jurisdiction (Congressional Record, June 16, 1921, p. 2705). Senator Norris and Senator Sterling introduced amendments providing that the FTC would retain all power and jurisdiction, and these amendments were defeated by very narrow margins. Congressman Schall, during the debate preceding adoption of the conference report, argued that the Commission was about to be the subject of "a little job of murder," because it has done its duty "honestly and efficiently."

Nor was the plea for jurisdiction in the Federal Trade Commission given up when the Packers and Stockyards Act was passed. In 1935, Senator Walsh introduced a bill (S. 4445, 74th Cong.) which would have restored jurisdiction over meatpackers to the Commission. The Department of Agriculture did not object to the enactment of this bill. The Federal Trade Commission endorsed it, but the Committee on Agriculture and Forestry took no action on the bill.

When Senator Walsh introduced an identical bill (S. 1351, 75th Cong.) in 1937, the Secretary of Agriculture would express no view on it because of a pending reorganization plan, but the Commission continued to endorse it. The Senate committee reported this bill favorably (S. Rept. 988, 75th Cong.), but it was not passed by the Senate.

Although identical bills were introduced by Senator Walsh on two later occasions (S. 1178, 76th Cong., and S. 1300, 78th Cong.), they were opposed by the Secretary of Agriculture, and no committee action was taken, in spite of continued support from the Federal Trade Commission.

ENFORCEMENT RECORD OF THE DEPARTMENT OF AGRICULTURE

1. Few cease-and-desist orders under title II have been issued against companies in the meatpacking industry

Only 32 cease-and-desist orders have been issued by the Secretary of Agriculture against meatpackers under title II of the act during its 36-year history. More than half—18 in all—were merely orders to packers for refusing to pay for livestock. Six were orders to refrain from fraud and misrepresentation with respect to weight or grading of livestock.

Only eight of these orders, therefore, have dealt with monopolistic or unfair trade practices such as restraints, preferences, price fixing, and discrimination. Of these, two were revoked after they were issued. This means that effective orders in this important category have been issued at an average rate of 1 every 6 years—a significant and shocking record of neglect and inaction in enforcement.

The most recent of the eight orders addressed to monopolistic or unfair trade practices by meatpackers was issued June 1, 1938. For the past 19 years, therefore, not a single cease-and-desist order dealing with monopolistic practices by packers has been issued.

Of the 6 cease-and-desist orders which involve weight and grade frauds occurring during the buying and selling of livestock, poultry or meat products, 3 were issued against packers operating in stockyards. If this bill becomes law, such orders could still be issued under the authority of title III of the act, since the Secretary of Agriculture would continue to have jurisdiction over livestock transactions in the stockyards.

During this entire period the Secretary of Agriculture has issued only two orders involving weight and grade frauds against packers operating outside stockyards. He has issued no orders in this class during the past 10 years. This evidences the lack of interest by the Secretary of Agriculture in checking restrictive trade practices at country buying points.

Not a single cease-and-desist order has been issued by the Secretary of Agriculture during the history of the act which involved restraints, preferences, price fixing, or discriminatory practices of meatpackers during the buying and selling of livestock at a posted stockyard, and only one such case involving trade practices at a nonposted stockyard. Nor has the Secretary of Agriculture ever issued a cease-and-desist order against a packer concerning practices which involved the wholesaling or retailing of nonmeat food products or nonfood products.

2. Power to request the Federal Trade Commission to investigate and report on specific cases has never been used by the Secretary of Agriculture

Section 406 (b) of the Packers and Stockyards Act provides that the Federal Trade Commission shall have no power or jurisdiction relating to any matter which by the act is made subject to the jurisdiction of the Secretary of Agriculture, except with respect to certain cases pending on the date the act was enacted into law, and except when the Secretary in the exercise of his duties under the Packers and Stockyards Act requests that the Commission "make investigations and report in any case."

But this power to have the Commission investigate matters and report back to the Secretary of Agriculture has never been used. The Federal Trade Commission has informed the subcommittee that its minutes and other records for the period from August 15, 1921, to May 13, 1957, show no requests by Agriculture for such investigations and reports. Testimony of witnesses from the Department of Agriculture confirmed this. Even though Agriculture has brought few cases itself against packers, it has not even seen fit to request the Federal Trade Commission to conduct any studies.

3. The Department of Agriculture has sought to excuse its nonenforcement of these provisions on the ground it lacked funds, but it has not sought appropriations for this purpose

The Secretary of Agriculture's lack of concern about its failure to enforce the unfair trade practice provisions of title II of the act is evident from the Department's record in requesting appropriations from Congress. The Agriculture budget lumps in one figure the proposed expenditures for "regulatory activities" by the Agricultural Marketing Service, of which the Packers and Stockyards Branch is a part. Earl L. Butz, Assistant Secretary of Agriculture, testified that Congress had never turned down a request for funds to be used for the enforcement of title II of the act. A study made for the committee by the Library of Congress shows that during the 11-year period of 1947-57, the Department of Agriculture requested \$6,955,930 for administration of the Packers and Stockyards Act while the funds actually available were \$6,990,950.

When testifying before Appropriations Committees, the Department of Agriculture has always emphasized its responsibilities under title III of the act. Roy D. Lennartson, Deputy Administrator of

the Agricultural Marketing Service, stated before the House Committee on Appropriations in February 1957:

(In) the broad field of regulatory activity, we are asking for an increase of * * * \$178,000 to provide for additional posting and supervisory activities under the Packers and Stockyards Act * * *. By the end of this fiscal year, we are hoping we will have something like 70 percent of the eligible yards posted. Granted this increase * * * at the end of the fiscal year 1958, we will have about 94 percent of all the eligible yards posted.

The reason we have directed our attention at the yards is because it is essentially down at this level where the impact is greatest on the producer.

* * * our policy has been (to attempt) first to use our funds to bring the impact or benefits of this act down closest to where the producer can obtain them.

Millard J. Cook, former head of the Packers and Stockyards Branch, testified that during the 10 years he was in this position, he recommended many times that increased appropriations for enforcement of title II be sought, but that his recommendations were turned down. Until about 1928 enforcement of the act was handled by a separate division reporting directly to the Secretary, he stated, but because Secretary of Agriculture Jardine was not favorable to the act, it was not adequately enforced during his term of office. He stated that interest in investigating monopolistic practices by packers was never revived.

When the Department's budget was presented to the House Committee on Appropriations in February 1957, it did not contain a specific item for enforcement of title II of the act. As already noted, an additional \$178,000 was requested for new posting of stockyards and supervisory activities. The Department witness who appeared before that committee, Mr. Lennartson, admitted that the Department had been "criticized recently for not devoting some of the funds under this act to explorations into trade practices on the part of packers and others outside the yards." He also stated that, in addition to the posting of about 150 more stockyards under the act during fiscal 1958, the Department is "hopeful that some of the funds requested would be available to begin some investigations into the buying practices of packers off the yards; in other words, into the feed lots, into the direct-buying area, and so on, in the concentrated areas of livestock production."

When representatives of the Secretary of Agriculture appeared before the subcommittee, they indicated for the first time that more funds for the enforcement of title II were needed. It was stated that additional funds would be channeled from other activities into enforcement of title II. For instance, Assistant Secretary Butz stated that the Department recently had "redirected an additional \$20,000 of Department funds for Packers and Stockyards Act enforcement during the last part of this fiscal year," and that the Department had "made tentative provisions to transfer some \$75,000, if we can find the competent personnel to strengthen the work next fiscal year." He mentioned an "anticipated" plan to request more funds for fiscal 1959.

But this testimony indicates such allocations for funds are largely tentative and in amounts too small to be of material help in expanding title II enforcement. It also appears that the Department's renewed interest in title II activities did not occur until the subcommittee began its investigation in 1956. The predominant activity of the Packers and Stockyards Branch will continue to be enforcement of title III. The committee has no criticism of the Department's enforcement of title III, but it does not consider such activity an excuse for failure to enforce title II against the meatpacking industry. The recent efforts of the Secretary of Agriculture to increase enforcement of title II are too little and too late.

It should be noted that adequate enforcement of title II by the Department would require a greatly increased appropriation. Earl W. Kintner, General Counsel of the Federal Trade Commission, testified that the Commission has a trained staff, existing field offices, and necessary expertise to handle the new responsibility provided for in this bill. He stated that no additional funds would be necessary at this time, but that if experience indicates it, a modest additional appropriation will be requested.

4. The Department of Agriculture does not have adequate trained staff for the purpose of enforcing the unfair trade practice provisions of title II of the act

It was testified during the hearings that during the 1920's the Department of Agriculture had 150 full-time and as many as 30 part-time employes who were studying the operations of packers. Since that time, however, the number of personnel has dwindled from year to year. Responsibility for enforcement of the unfair trade practice provisions of title II, dealing with packers, and corresponding provisions of title III, dealing with stockyards, is vested in Washington in the Trade Practices Section of the Packers and Stockyards Branch. This section is staffed by two marketing specialists and a stenographer.

None of the persons in the Trade Practices Section or in the field offices of the Packers and Stockyards Branch is engaged full time in enforcement of title II of the act. All spend most of their time in enforcement of title III.

David M. Pettus, Acting Director of the Livestock Division, of which the Packers and Stockyards Branch is a part, admitted the Department did not have sufficient personnel to do the job of enforcing title II. Assistant Secretary Butz conceded that Agriculture's enforcement over the years has been lax:

It is quite true (that) for 26 [sic] years it has not been adequately enforced, but don't you think when the sinner confesses and resolves to do better he should be given a chance.

The committee believes that confession of failure to enforce title II of the act and a resolution to "do better" is not good reason to leave this jurisdiction in the Secretary of Agriculture. It is clear that sufficient personnel are not available at present for the job and will continue to be unavailable for some time even if enough funds were appropriated for the purpose. Even more important than the number of employees is the lack of sympathy in the Department of Agriculture for the antitrust concept of title II of the act.

5. *Failure of the Department of Agriculture to litigate under title II of the Packers and Stockyards Act has resulted in complete absence of a body of case law*

Agriculture's failure to prosecute cases under the trade-practice provisions of the Packers and Stockyards Act has resulted in a complete lack of judicial construction of the act. Companies subject to Agriculture's jurisdiction, therefore, have no guidelines to follow in determining what trade practices are prohibited by the act. On the other hand, a well developed body of judicial precedent already exists interpreting those acts administered by the Federal Trade Commission. The Department of Agriculture has followed a policy of proceeding against alleged violations on an informal basis without publicity and without filing of formal complaint. In this way the Department seeks to obtain agreements from the companies in question to cease certain practices. This policy was defended by Mr. David M. Pettus on the ground that—

it was deemed in the interest of the operation [the Department was] following to correct the practice without causing complaint, or to continue to get the cooperation of the people involved in enforcing the act.

This approach to law enforcement is typical of agencies which depend upon the cooperation of the industry which is being regulated. The deterrent value resulting from public prosecution and conviction is lost. Effective law enforcement cannot be obtained by secret negotiations and deals between prospective defendants and law-enforcement agencies.

Testimony of the Department witnesses before the subcommittee revealed that no clear standards for determining discriminatory pricing and other unfair trade practices have been established. Reference was made to the Department's policy of following the decisions of the Federal Trade Commission and court decisions ruling on FTC holdings, but the fact is that the terms of the Packers and Stockyards Act are broader and otherwise different in many respects from the laws under which the FTC operates. An interpretation of the Robinson-Patman Act is not an interpretation of the Packers and Stockyards Act.

6. *The Department of Agriculture needs cooperation from the meat-packing industry to carry on many of its functions and is, therefore, loath to prosecute companies from which it is seeking help*

In order to carry out many of its responsibilities, the Department of Agriculture finds it necessary to seek and obtain close cooperation with companies in the meatpacking industry. Proper regulation of unfair trade practices in this industry by the Department has been impeded because vigorous enforcement may diminish the willingness of industry to cooperate with the Department in the administration of its other functions.

One of its regular functions which requires cooperation with the packing industry, for example, is market news reporting. Reliable market information is essential to those who produce, buy or sell livestock, and the market news service of the Department provides day-to-day reports on supply, demand, and pricing conditions at primary and terminal markets, and assists farmers in obtaining fair returns for their livestock and other products. Such information cannot be

properly gathered without cooperation from companies in the meat-packing industry. A close liaison between such companies and the Department is urgently needed.

There are a number of other activities carried on by the Department of Agriculture which require cooperation from the meatpacking industry. The animal disease eradication program, and the program on research in biological products are examples of such activities.

7. The Department's handling of certain complaints typifies its lack of interest in aggressive law enforcement

Testimony before the subcommittee and information gathered by the subcommittee staff revealed that in 1956 complaints were received by the Packers and Stockyards Branch concerning the practice of a large food chain in operating livestock feed lots in such a way as to depress the price of livestock to individual producers, and of setting and controlling the price of choice beef carcasses in the Los Angeles and Southwest areas. A preliminary investigation was undertaken after which a recommendation was made by the Packers and Stockyards Branch that a complete investigation be made looking to the filing of a complaint charging violation of title II of the Packers and Stockyards Act. A request was also made for sufficient funds to carry out this investigation. These recommendations were submitted to top officials in the Department of Agriculture and, largely at the instance of Mr. Earl L. Butz, Assistant Secretary of Agriculture for Marketing Service, it was decided that this investigation should not be conducted but instead that a "research" study should be made. Mr. Butz felt the practices in this complaint were part of a larger problem involving the whole question of the impact of this type of practice on the pricing structure. A broad economic analysis of this company's buying practices is now underway. Despite the evidence that such practices, if proved, would violate the act, the Department elected to proceed by way of research study.

Witnesses testifying in behalf of the Western States Meat Packers Association before the subcommittee stated that a number of complaints were filed with the Department of Agriculture charging that certain large meatpackers had engaged in discriminatory pricing and other unfair trade practices in the sale of meat and meat products. It was claimed that either because of lack of funds or lack of interest nothing was done about these complaints.

The committee is of the opinion that these instances demonstrate clearly the attitude of the Department of Agriculture toward the enforcement of title II of the Packers and Stockyards Act.

RECENT DECISIONS AND RULINGS HINDERING EFFECTIVE ANTITRUST
ENFORCEMENT BY THE FEDERAL TRADE COMMISSION

A series of court decisions and administrative rulings has greatly extended the exemption from regulation by the Federal Trade Commission which is contained in the Packers and Stockyards Act. The term "packer" to which the Packers and Stockyards Act applies in according immunity from the Federal Trade Commission Act and from Commission enforcement of the Clayton Act is extremely broad in its reach. Any person, firm or corporation, no matter how far removed from the packing business, need only acquire a 20 percent interest in a packing plant to lay claim to the exemption. As a result, numerous

large nonpacker corporations are qualifying as packers and thus escaping Federal Trade Commission supervision.

The leading court decision on this matter is *United Corporation v. Federal Trade Commission* (110 F. 2d 473 (1940)), in which the Fourth Circuit Court of Appeals reviewed an order by the Federal Trade Commission requiring United Corp. to cease and desist from representing that the corned beef hash and deviled ham which it sold were made from products originating in Virginia, from using the trade name "Virginia Products Co.," from using labels containing the word "Virginia," and from invoicing its sales from Richmond or other places within the State of Virginia. The canned meat products marketed by United Corp. were packed for it by two meatpacking companies, Montell, Inc., of Cambridge, Md., and Emmart Food Products Co., of Chicago, Ill. The meat used in the products, except for the deviled ham packed by Montell, did not originate in the State of Virginia, and it was on a basis of false and deceptive advertising, therefore, that the FTC proceeded against United Corp.

After the complaint was filed, but before the FTC cease and desist order was issued, United Corp. acquired a 20 percent interest in the stock of Montell and Emmart. Since it thereupon became a packer under the definition of that term in section 201 of the Packers and Stockyards Act, United asked the court to set aside the FTC order to cease and desist as the company was no longer subject to FTC jurisdiction. The definition of "packer" in the act reads in part as follows:

SECTION. 201. When used in this Act the term "packer" means any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or (d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

* * * * *

(4) Any person or persons jointly or severally, directly or indirectly, through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 per centum or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 per centum or more of such power or control in any business referred to in clause (a) or (b) above.

Section 406 (b) of the Packers and Stockyards Act reads as follows:

(b) On and after the enactment of this Act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this Act is made subject to the jurisdiction of the Secretary * * * except when the Secretary of Agriculture in the exercise of his duties hereunder, shall request of the

said Federal Trade Commission that it make investigations and report in any case.

The circuit court of appeals set the FTC order aside, holding that since the power of the FTC is "purely regulatory and not punitive," it must have jurisdiction at the time of the entry of its order, and that the Commission therefore had no further jurisdiction over United after it acquired its interest in the two packing companies.

Since this decision, many companies have sought exemption from FTC regulation as packers. Mr. Kintner, General Counsel of the Commission, pointed out to the subcommittee that some of the larger packers have proliferated into many unrelated fields, and, even more important, many concerns primarily engaged in other lines of commerce have become packers within the definition of "packer" in the act. This is particularly true, he stated, of many of the largest grocery chains, which, although they are essentially engaged in merchandising all of the thousands of items usually found in grocery stores and supermarkets, nevertheless qualify as packers because some part of their operations brings them within the definition of "packer." Among such grocery chains are Great Atlantic & Pacific Tea Co., the Kroger Co., Safeway Stores, and First National Stores.

Among the companies which have claimed immunity from regulation by the Federal Trade Commission on the grounds they are subject to the Secretary of Agriculture under the Packers and Stockyards Act, is an ice cream company which own an affiliated company that is a packer of dog food (*Federal Trade Commission v. Carnation Co., et al.*, FTC docket No. 6172). Wilson & Co., which is primarily a packer, has successfully asserted immunity from regulation by the FTC of its sporting goods business—a nonfood line.

The Commission has also pointed out an allied problem arising out of the so-called "oleomargarine amendment" to the Federal Trade Commission Act (64 Stat. 20). When a proceeding was brought against Armour & Co. charging false and deceptive advertising of oleomargarine, a nonmeat food product, the Commission was obliged to dismiss this action, because Armour was a packer and subject to the Secretary of Agriculture.

Subsequently a complaint was filed, and an order to cease and desist was issued against the Blanton Co. under the oleomargarine amendment. Blanton has filed a petition to review and set aside this order in the Eighth Circuit Court of Appeals, contending that the amendment is unconstitutional as denying equal protection of the law, since it does not apply to Blanton's competitors who are "packers" within the meaning of the Packers and Stockyards Act.

The complaint in the Food Fair case (*In the Matter of Food Fair Stores, Inc.*, docket 6458) charged a food retailing chain with violation of section 5 of the Federal Trade Commission Act. The hearing examiner granted a motion by Food Fair to dismiss the complaint on the ground that it is a packer and as such is subject to the exclusive jurisdiction of the Secretary of Agriculture. While counsel for the Commission showed that the sales of products from the packing plant owned by Food Fair gross about \$25 million annually which is a very small part of the company's total annual gross of \$475 million for the fiscal year ending April 28, 1956, this had no effect on the examiner's ruling. The hearing examiner quoted with approval the argument of Commission counsel that this interpretation

* * * logically and inevitably leads * * * to absurd results enabling any concern to choose at will the regulatory authority, by simply acquiring or divesting itself of a packing plant. Or, put more crassly, by the simple expedient of buying a load of chickens, wringing their necks, plucking their feathers and selling their carcasses in commerce, any business in the Nation, even a tire or battery manufacturer, for instance, may escape regulation of its entire business by the Federal Trade Commission * * *.

The examiner declared the law clear and unambiguous in "terms, command and intent," and he felt obliged to hold Food Fair immune from FTC regulation. This case is now before the Commission for decision. If upheld, many sweeping claims for exemption from FTC regulation will be made.

S. 1356 eliminates all doubt as to the authority of the Federal Trade Commission to proceed against meatpackers. It prevents other companies from escaping regulation by the Federal Trade Commission on the ground they are packers. Confusion and injustice result when a food retailer large enough to acquire a packing company is regulated by the Department of Agriculture, but its smaller competitor is subject to more stringent enforcement of trade-practice rules administered by the Federal Trade Commission. As a consequence, there are different standards of legality for measuring the conduct of competitors.

The zeal of many companies in claiming the packer exemption testifies to the poor record of Agriculture in enforcing the unfair trade practices provision of the Packers and Stockyards Act. The National Milk Producers Association stressed the need for aggressive enforcement of the oleomargarine amendment to the Federal Trade Commission Act and backed the Commission's regulation of advertising in this field. It noted that the Armour & Co. case, which was referred to the Department of Agriculture by the FTC after it was dismissed by the Commission in March 1956, still is awaiting action in the Department of Agriculture, more than 14 months later.

Three large packing companies which are bound by the 1920 consent decree have recently petitioned the District Court of the District of Columbia to relax some of the injunctive provisions of that decree to allow them to enter other lines of business activity. The Cooperative League of the U. S. A. expressed the view that such a modification permitting large packers to enter the retail food business would result in "an even greater monopolistic hazard." If the decree is modified as requested by the packers, another broad area of packer activity will be exempt from Federal Trade Commission regulation. This problem further emphasizes the need for uniform and vigorous enforcement of trade-practice laws against all segments of industry.

The Federal Trade Commission supported this legislation during the hearings before the subcommittee, and by letter dated May 1, 1957, addressed to the chairman of this committee, stated that the Commission favored the enactment of S. 1356, as amended.

The Department of Agriculture by letter dated May 20, 1957, addressed to the chairman of this committee, stated that it recognized the need for changes in the present law but did not favor the amendments proposed in the bill as amended. That Department contends that overall jurisdiction over the meat-packing industry should remain in the Department of Agriculture.

The committee is of the opinion that the public interest will best be served by adoption of the proposal contained in the instant bill to transfer jurisdiction over unfair trade practices from the Department of Agriculture to the Federal Trade Commission. This legislation will provide effective regulation of these unfair and discriminatory trade practices which might eventually lead to monopoly. The Department of Justice, under the Sherman Act, now has authority to proceed against meatpacking companies for conspiracies in restraint of trade and for monopolization. This legislation therefore seeks to clothe the Federal Trade Commission with authority to prevent that type of trade practice which falls short of a Sherman Act violation.

The committee believes that this legislation is necessary and therefore recommends favorable consideration of S. 1356, as amended.

Attached hereto and made a part hereof are reports submitted by the Federal Trade Commission and the Department of Agriculture respecting this proposed legislation.

FEDERAL TRADE COMMISSION,
OFFICE OF THE CHAIRMAN,
Washington, May 1, 1957.

HON. JAMES O. EASTLAND,
*Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: This is in response to your letter of March 27, 1957, requesting a report upon S. 1356, 85th Congress, 1st session, a bill to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

Under existing law any jurisdiction by the Commission in the area with which this bill would deal is restricted by several statutory provisions. Section 5 (a) (6) of the Federal Trade Commission Act, by reason of an amendment made in 1938, contains an exception to its jurisdiction of " * * * persons, partnerships, or corporations subject to the Packers and Stockyards Act, 1921, except as provided in section 406 (b) of said Act, * * *."

In turn, section 406 (b) of the Packers and Stockyards Act, 1921, insofar as pertinent, provides:

"On and after the enactment of this Act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this Act is made subject to the jurisdiction of the Secretary, * * * except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case."

The resulting reach of the exclusion from the Commission's jurisdiction is further indicated by the definition of the term "packer" in the Packers and Stockyards Act. It is as follows:

"The term 'packer' means any person engaged in the business (a) of buying live-stock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale of shipment in commerce, or (c) of manufacturing or preparing live-stock products for sale or shipment in commerce, or (d) of marketing

meats, meat food products, live-stock products, dairy products, poultry, poultry products, or eggs, in commerce; but no person engaged in such business of manufacturing or preparing live-stock products or in such marketing business shall be considered a packer unless—

(1) Such person is also engaged in any business referred to in clause (a) or (b) above, or unless

“(2) Such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, any interest in any business referred to in clause (a) or (b) above, or unless

“(3) Any interest in such business of manufacturing or preparing live-stock products, or in such marketing business is owned or controlled, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, by any person engaged in any business referred to in clause (a) or (b) above, or unless

“(4) Any person or persons jointly or severally, directly or indirectly, through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 per centum or more of the voting power or control in such business of manufacturing or preparing live-stock products, or in such marketing business and also 20 per centum or more of such power or control in any business referred to in clause (a) or (b) above.”

The bill proposes to restore to the Commission jurisdiction of those businesses which are now excluded from its jurisdiction by reason of the foregoing statutory provisions. Basically this would be accomplished by removing the exception to the Commission's jurisdiction of persons, partnerships or corporations subject to the Packers and Stockyards Act contained in section 5 (a) (6) of the Federal Trade Commission Act and by striking title 2 of the Packers and Stockyards Act. The other amendments to the Packers and Stockyards Act are simply designed to bring other provisions of that act into harmony with this change. If enacted, the bill would clearly give the Commission jurisdiction as to packers under the Federal Trade Commission Act, the Clayton Act as amended by the Robinson-Patman Act, and any other of the statutes administered by the Commission which might be applicable to practices engaged in by packers.

In order that other provisions of the Packers and Stockyards Act would be fully consistent with the major change proposed by the bill, if enacted, it would seem desirable that a few changes be made in the terms of the bill. On page 2 of the bill in section (b) there is an obvious omission, probably a printer's error. There should be inserted between (b) (1) and (b) (3), the following: “(2) paragraph (3) thereof;”.

Subsection (b) of the bill also provides for the elimination of certain definitions from the Packers and Stockyards Act. As now drafted it would strike from the title of section 2 (a) of that act the words “meat food products” and “live-stock products.” This is an unnecessary and possibly misleading amendment. Section 2 (a) of the Packers and Stockyards Act has no “title” as such. This reference in the bill appears to be to the act as contained in the United States Code and to the “title” therein supplied by the editors of the code. Title 7 of the United States Code has not been enacted into positive law and

consequently any amendments should be addressed to the original statute. Therefore subsection (b) (1) could properly be eliminated.

It may be desirable, however, to amend the title of the Packers and Stockyards Act itself by striking from it the words "livestock products, dairy products" and "poultry products, and eggs," so that the title would read "An act to regulate interstate and foreign commerce in livestock and poultry, and for other purposes." If this change should be made in the original title, it would be necessary to make a similar change in this title where it appears in the preamble of the enactment (act of August 14, 1935, c. 532, 49 Stat. 648) which added title V to the Packers and Stockyards Act.

It would also seem desirable to strike the first sentence of section 503 of the Packers and Stockyards Act, because as a result of other amendments it would no longer have any meaning, and might even be confusing.

The bill does not amend the provisions of section 406 (b) of the Packers and Stockyards Act excluding the Commission from any jurisdiction "relating to any matter which by this act is made subject to the jurisdiction of the Secretary," but a change in this provision is not considered necessary to achieve the purpose of the bill because of the subject matter which the bill would strike from the Packers and Stockyards Act and the striking of the exclusionary provision in section 5 (a) (6) of the Federal Trade Commission Act.

The committee is undoubtedly aware of the fact that the enactment of the Packers and Stockyards Act grew out of an investigation of the meatpacking industry made by the Commission pursuant to a direction of February 7, 1917, by President Wilson pursuant to the authority therefor contained in section 6 of the Federal Trade Commission Act. The facts and information revealed by this investigation were reported to the President on July 3, 1918, and report was subsequently printed in 6 volumes including a 47-page summary of findings appearing in the volume entitled "Summary and Part I of Federal Trade Commission Report on Meatpacking Industry, 1919." This report also resulted in the institution of antitrust proceedings under the Sherman Act against the "Big Five" packers which ended in the now well known packers consent decree of February 27, 1920.

However, when the legislation with respect to packers was enacted in 1921 exclusive jurisdiction with respect to all matters which it covered was placed in the Secretary of Agriculture. The present bill would leave in the Secretary of Agriculture exclusive jurisdiction with respect to the operations of stockyards and the licensing and regulation of live-poultry dealers and handlers.

The bill would enable the Commission to apply the Federal Trade Commission Act and the Clayton Act against unlawful practices in the marketing of meat and poultry products. Perhaps even more significantly, it would clearly enable the Commission to enforce the laws which it administers against packers with respect to things other than meat and the byproducts resulting from meat processing. It is well known that the operations of some of the larger packers have proliferated into many unrelated fields. Even more importantly, many concerns primarily engaged in other lines of commerce have incidentally become packers within the definition of "packer" in the Packers and Stockyards Act. This is particularly true of many of the largest grocery chains which, although they are essentially engaged in

merchandising all of the thousands of items usually found in grocery stores and supermarkets, nevertheless qualify as packers because some part of their operations brings them within the definition of "packer." Among such grocery chains are Great Atlantic & Pacific Tea Co., the Kroger Co., Safeway Stores, and First National Stores.

The reach of this definition of "packer" is well illustrated by a proceeding which the Commission brought against United Corp. alleging unfair and deceptive practices in the marketing of certain canned meat products. Although the Commission had jurisdiction of United Corp. at the time its complaint was issued, during the proceedings and before the issuance of an order to cease and desist, United Corp. acquired a 20-percent stock interest in the 2 companies from which it purchased the canned meat products in question. The Commission entered an order to cease and desist. On review by the court the order was set aside. Although it in no way condoned the practices which had been used by United Corp., observing that they "cannot be defended," the court nevertheless held:

"There can be no question but that, upon the acquisition of the stock of Montell, Inc., and the Emmart Food Products Co., petitioner became a packer whose business was subject to the control of the Secretary of Agriculture under the Packers and Stockyards Act (*United Corporation, et al. v. Federal Trade Commission*, 110 F. 2d 473)."

Another aspect of the enforcement problems which the Commission faces is illustrated by its proceedings under the so-called oleomargarine amendment to the Federal Trade Commission Act approved March 16, 1950 (64 Stat. 20). Two orders to cease and desist from representations or suggestions that oleomargarine is a dairy product have been reviewed by the courts and the Commission's orders affirmed (*Reddi-Spread Corporation v. Federal Trade Commission*, 229 F. 2d 557; *E. F. Drew & Co., Inc. v. Federal Trade Commission*, 235 F. 2d 735, certiorari denied 352 U. S. 969). Subsequently, the Commission brought a proceeding against Armour which is also engaged in manufacturing and distributing oleomargarine, charging violation of the oleomargarine amendment. Armour is, of course, a "packer," and the Commission felt obliged to dismiss the proceeding against Armour for lack of jurisdiction. The Commission's opinion in this case appears in Federal Trade Commission docket 6409. Subsequent to the decision by the Commission in the Armour case, the Commission issued an order to cease and desist against the Blanton Co. under the oleomargarine amendment. Blanton has filed a petition to review and set aside this order in the United States Court of Appeals for the Eighth Circuit, and one of its principal contentions is that the oleomargarine amendment is unconstitutional, as denying equal protection of the law. Specifically, Blanton asserts:

"The entire order is invalid because it is based upon title 15, United States Code Annotated, section 55 (a) (2), which, as interpreted and applied against petitioner by the order, is unconstitutional under the fifth amendment of the Constitution of the United States since the statute does not apply to petitioner's competitors who are 'packers' as that term is defined in title 7, United States Code Annotated, section 191. Consequently, title 15, United States Code Annotated, section 55 (a) (2), as here interpreted and applied by the Commission, places such an unequal and undue burden upon petitioner as to deny petitioner the equal protection* of the laws, in violation of the due-process clause of the fifth amendment."

Some of the current enforcement problems which confront the Commission are also illustrated in FTC dockets 6555 and 6458. In the first of these, the Commission issued a complaint (*In the Matter of Renaire Corporation (Pennsylvania) et al.*, docket 6555) charging 11 corporations and 8 individuals with false, misleading, and deceptive practices in violation of section 5 of the Commission Act in the sale of food freezers. Renaire Corp. (Pennsylvania) has filed before the hearing examiner a motion to dismiss the complaint as to it on the ground that it "is a packer within the meaning of the Packers and Stockyards Act, 1921, title 7, United States Code, section 191, and following, as a result of which the said corporation is subject to the exclusive jurisdiction of the Secretary of Agriculture and is specifically exempt from the provisions of section 5 of the Federal Trade Commission Act."

Similarly, in its proceeding *In the Matter of Food Fair Stores, Inc.*, docket 6458, in which the complaint charged this supermarket grocery chain with violation of section 5 of the Federal Trade Commission Act, a motion to dismiss has been filed by respondent on the ground that it is a packer, and as such is subject to the exclusive jurisdiction of the Secretary of Agriculture. Apparently, Food Fair Stores, Inc., is licensed by the Department of Agriculture as a packer inasmuch as it owns a meatpacking plant, and this is necessarily so even though the products of the meatpacking plant constitute a relatively small part of the \$475 million gross sales of the company for the fiscal year ending April 28, 1956.

The questions presented by these motions will ultimately come before the Commission for decision, and at that time must be decided by the Commission upon the record before it and according to its interpretation of the law as applied to the facts shown. While it would be inappropriate for the Commission to discuss these cases at this time, it may be noted, because it is a matter of public record, that the hearing examiner, in an initial decision filed by him on April 11, 1957, dismissed the complaint in the Food Fair case for lack of jurisdiction. In his initial decision, after discussing the legislative history of the Packers and Stockyards Act and considering the exclusionary amendment placed in the Federal Trade Commission Act in 1938, the hearing examiner concluded that there was a firm intent "to have the Secretary of Agriculture regulate all phases of any business in whatever primary field, connected in any way, or operating to any degree, in meatpacking. There is, therefore, no necessity for deciding whether the exemption is in personam or merely in rem." He then stated:

"This interpretation logically and inevitably leads, counsel in support of the complaint contends, to absurd results enabling any concern to choose at will the regulatory authority, by simply acquiring or divesting itself of a packing plant. Or, put more crassly, by the simple expedient of buying a load of chickens, wringing their necks, plucking their feathers, and selling their carcasses in commerce, any business in the Nation, even a tire or battery manufacturer, for instance, may escape regulation of its entire business by the Federal Trade Commission, whose "expertise" in the use, for instance, of brokerage, advertising allowances, service grants, and other devious means of competitive favoritism, is widely recognized. Thus, in the instant case, alleged competitive discrimination in the use of adver-

tising allowances to push such nonagricultural products as floor wax, chewing gum, and cleaning fluid is left exclusively to the Department of Agriculture. No law, says counsel, should be interpreted to achieve an absurd result.

"The answer, of course, is that where a law is clear and unambiguous in terms, command, and intent and where the latter is also clear from the legislative history, interpretation is uncalled for and no deciding authority may interpose his views and interpret it away from that intent, regardless of result. The responsibility for the latter, any duty to change, as well as the sole right to change, lies with the enacting authority, Congress.

* * * * *

"Despite distinctions of counsel, which are really not actual differences, the views expressed, and the language used in *United Corporation, et al. v. F. T. C.* (110 F. 2d 473 (C. C. A. 4) (1940) and Docket 6409, *Armour and Company* (March 30, 1956) are consonant with, and, it is believed, fully support the views expressed, and the conclusion reached here, and these are precedents by which this hearing examiner is, of course, bound."

Again there are the enforcement problems which may be created by any concern against which the Commission has issued an order to cease and desist by simply acquiring 20 percent or more of the stock of any of the more than 1,500 concerns registered as packers under the Packers and Stockyards Act and then filing a petition to set aside the Commission's order. While the Commission, for obvious reasons, expresses no view concerning this, the problems which it would raise are clear. It is plain that whatever immunity exists from enforcement by the Commission of the provisions of its own act against "packers" also exists against any enforcement by the Commission of any provisions of the Clayton Act as amended by the Robinson-Patman Act and the Antimerger Act. In fact the Commission has already been confronted with the claim by one of the major packers with respect to an inquiry under section 7 of the Clayton Act that:

"This being an acquisition of assets by a corporation not subject to the jurisdiction of the Federal Trade Commission, section 7 of the Clayton Act does not apply."

The same claim of immunity may be asserted with respect to asset acquisitions by a packer against any proceeding by the Department of Justice. This is the case because section 7 of the Clayton Act in pertinent part reads:

"* * * no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of another corporation engaged also in commerce * * *."

To the extent that such a claim is valid, neither this agency nor the Department of Justice can reach an asset acquisition by a packer, and to the same extent the Antimerger Act is defeated.

We have discussed at some length the more important limitations upon the Commission in the enforcement of the acts which it administers resulting from the law as it now exists, as well as some of the resulting enforcement problems. We think they present serious questions as to which the committee would desire to be informed. We realize the basic question presented by the bill is simply, how and

through what agency the Congress desires the laws which it has enacted to be administered. This is a policy decision for Congress.

However, the considerations set out in this letter lead the Commission to favor the enactment of this amendatory legislation. In the event the Congress sees fit to enact this legislation, the Commission would, of course, proceed to enforce the laws which it administers as fully as possible within the added area of jurisdiction.

We are advised by the Bureau of the Budget that there is no objection to the submission of this report.

By direction of the Commission:

JOHN W. GWYNNE, *Chairman.*

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 20, 1957.

HON. JAMES O. EASTLAND,
Chairman, Judiciary Committee,
United States Senate

DEAR SENATOR EASTLAND: Reference is made to your letter of March 27, 1957, requesting our views on S. 1356, a proposed amendment to the Packers and Stockyards Act to transfer jurisdiction over the meatpacking industry to the Federal Trade Commission.

This bill is designed to clarify the jurisdiction which the Secretary of Agriculture and the Federal Trade Commission have over certain practices in the food and meatpacking industry. It would eliminate title II of the Packers and Stockyards Act and amend other sections of the act and the Federal Trade Commission Act.

The Packers and Stockyards Act is a carefully integrated act, all parts of which are interrelated and supplement each other for the purpose of accomplishing the objective of assuring producers the true value of their livestock and poultry. The act in its present form provides the Secretary with sufficient authority to maintain open competitive market places and to prevent and correct practices of any organization in the livestock marketing and meatpacking or merchandising industries which restrict or limit competition for livestock, poultry, meats, and poultry or dairy products. The close relationship between merchandising practices and the determination of prices for livestock and poultry makes coordination of responsibility for all phases of a meatpacker's operations essential to the maintenance of open competition. A division of this regulatory authority could seriously handicap the accomplishment of the purposes of the present act.

At present, approximately 2,000 meatpackers are under the jurisdiction of the Packers and Stockyards Act and around 1,000 stockyards are posted or eligible for posting under this act. This bill as now written would create a conflict in jurisdiction since the Department would retain jurisdiction over the livestock transactions of meatpackers at posted stockyards while losing jurisdiction over their livestock operations elsewhere. The transfer of jurisdiction over the direct country buying operations of meatpackers and over their merchandising practices would make it impossible for the Department to assure that apparent competition at public livestock markets is, in fact, true competition; nor could it effectively prevent or uncover many important restrictive, discriminatory or monopolistic practices

at points away from public stockyards affecting the prices to be paid at public stockyards. In fact, the Department would be left with the responsibility for maintaining competitive livestock markets but without jurisdiction over some of the meatpacking companies, 1 of the 2 main parties to competition at these markets.

The Department recognizes the need for some changes in the present law due to the complexities which have developed in modern food merchandising. The Department does not favor the bill in its present form but would recommend that in lieu of the amendments to the Packers and Stockyards Act contained in the proposed bill there be substituted the following amendments to this act:

(1) By amending section 201 (7 U. S. C. 191) to read as follows:

"SEC. 201. When used in this Act—

"The term 'packer' means any person principally engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of buying livestock in commerce for purposes of slaughter and of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (d) of manufacturing or preparing livestock products for sale or shipment in commerce, but no person engaged in such business of manufacturing or preparing livestock products shall be considered a packer unless also engaged in any business referred to in clause (a) or (b) above."

This amendment eliminates the application of the packer provisions of the Act to persons who are primarily engaged in some other activities but have acquired an interest in the packing industry which represents a relatively minor part of their operations; e. g., grocery chains. Such persons who are presently subject to the Packers and Stockyards Act would under this amendment be subject to the Federal Trade Commission Act.

(2) By striking the words "It shall be unlawful for any packer or any live poultry dealer or handler to:" at the beginning of section 202 (7 U. S. C. 192) and inserting in lieu thereof "It shall be unlawful for any packer or live poultry dealer with respect to any activity, or any other person with respect to buying livestock or live poultry for purposes of slaughter, to:" and by striking the word "packer" wherever it appears in sections 203, 204, and 205 and inserting in lieu thereof the word "person".

Under this amendment packers and live poultry dealers as redefined in amendments (1) and (3) would be subject to the jurisdiction of the Department of Agriculture as heretofore. Other persons heretofore subject to the jurisdiction of the Department under Title II—Packers of the act would be subject to the jurisdiction of the Department with respect only to the buying of livestock and live poultry for purposes of slaughter and with respect to all other activities would be subject to the jurisdiction of the Federal Trade Commission.

(3) By inserting after the word "person" in the second sentence of section 503 (7 U. S. C. 218b) the word "principally".

This amendment changes the definition of live poultry dealer so that for the purposes of title II of the act only persons principally engaged in the business of buying or selling live poultry in commerce for the purpose of slaughter will fall within the definition of live poultry dealers.

(4) By striking the period at the end of subsection (b) of section 406 and inserting in lieu thereof ", or in any case where the Secretary

determines it to be in the public interest for the Federal Trade Commission to institute a proceeding under which circumstances it shall have authority to exercise in connection therewith all the powers, functions, and authority of the Secretary under this Act." (7 U. S. C. 227.)

This amendment will authorize the Federal Trade Commission, upon a determination by the Secretary of Agriculture that it is in the public interest, to institute proceedings exercising all of the Secretary's authority against persons subject to the Packers and Stockyards Act.

These amendments would have no effect on the present budget of the Department.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

FEDERAL TRADE COMMISSION ACT (66 STAT. 632)

* * * * *

(6) The Commission is empowered and directed to prevent persons, partnerships, or corporatinos, except banks, common carriers subject to the Acts to regulate commerce, *and* air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, [and persons, partnerships, or corporations subject to the Packers and Stockyards Act, 1921, except as provided in Section 227 (b) of Title 7,] from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce.

* * * * *

PACKERS AND STOCKYARDS ACT, 1921 (42 STAT. 159)

Chap. 64.—An Act to regulate interstate and foreign commerce in livestock, [livestock products, dairy products,] poultry, [poultry products, and eggs] and for other purposes.

* * * * *

SEC. 2. (a) When used in this Act—

* * * * *

[(3) The term "meat food products" means all products and by-products of the slaughtering and meat-packing industry—if edible;]

* * * * *

[(5) The term "livestock products" means all products and by-products (other than meats and meat food products) of the slaughtering and meat-packing industry derived in whole or in part from livestock; and]

* * * * *

(b) For the purpose of this Act (but not in anywise limiting the foregoing definition) a transaction in respect to any article shall be considered to be in commerce if such article is part of that current of commerce usual in the livestock [and meat-packing industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs,] *industry, and whereby livestock* are sent from one State with the expectation that they will end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where purchase or sale is either for shipment to another State, or for slaughter of livestock within the State and the shipment outside the State of the products resulting from such slaughter. Articles normally in such current of commerce shall not be considered out of such current through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this Act. For the purpose of this paragraph the word "State" includes Territory, the District of Columbia, possession of the United States, and foreign nation.

【TITLE II—PACKERS

【SEC. 201. When used in this Act—

【The term "packer" means any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or (d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

【(1) Such person is also engaged in any business referred to in clause (a) or (b) above, or unless

【(2) Such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, any interest in any business referred to in clause (a) or (b) above, or unless

【(3) Any interest in such business of manufacturing or preparing livestock products, or in such marketing business is owned or controlled, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, by any person engaged in any business referred to in clause (a) or (b) above; or unless

【(4) Any person or persons jointly or severally, directly or indirectly, through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 per centum or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 per centum or more of such power or control in any business referred to in clause (a) or (b) above.

【SEC. 202. It shall be unlawful for any packer or any live poultry dealer or handler to:

【(a) Engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in commerce; or

[(b) Make or give, in commerce, any undue or unreasonable preference or advantage to any particular person or locality in any respect whatsoever, or subject, in commerce, any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever; or

[(c) Sell or otherwise transfer to or for any other packer or any live poultry dealer or handler, or buy or otherwise receive from or for any other packer, any article for the purpose or with the effect of apportioning the supply in commerce between any such packers, if such apportionment has the tendency or effect of restraining commerce or of creating a monopoly in commerce; or

[(d) Sell or otherwise transfer to or for any other person, or buy or otherwise receive from or for any other person, any article for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in any article in commerce, or of restraining commerce; or

[(e) Engage in any course of business or do any act for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in any article in commerce, or of restraining commerce; or

[(f) Conspire, combine, agree, or arrange with any other persons (1) to apportion territory for carrying on business in commerce, or (2) to apportion purchases or sales of any article in commerce, or (3) to manipulate or control prices in commerce; or

[(g) Conspire, combine, agree, or arrange with any other person to do, or aid or abet the doing of, any act made unlawful by subdivision (a), (b), (c), (d), or (e).

[SEC. 203. (a) Whenever the Secretary has reason to believe that any packer has violated or is violating any provisions of this title, he shall cause a complaint in writing to be served upon the packer, stating his charges in that respect, and requiring the packer to attend and testify at a hearing at a time and place designated therein, at least thirty days after the service of such complaint; and at such time and place there shall be afforded the packer a reasonable opportunity to be informed as to the evidence introduced against him (including the right of cross-examination), and to be heard in person or by counsel and through witnesses, under such regulations as the Secretary may prescribe. Any person for good cause shown may, on application, be allowed by the Secretary to intervene in such proceeding, and appear in person or by counsel. At any time prior to the close of the hearing the Secretary may amend the complaint; but in case of any amendment adding new charges the hearing shall, on the request of the packer, be adjourned for a period not exceeding fifteen days.

[(b) If, after such hearing, the Secretary finds that the packer has violated or is violating any provisions of this title covered by the charges, he shall make a report in writing in which he shall state his findings as to the facts, and shall issue and cause to be served on the packer an order requiring such packer to cease and desist from continuing such violation. The testimony taken at the hearing shall be reduced to writing and filed in the records of the Department of Agriculture.

[(c) Until a transcript of the record in such hearing has been filed in a circuit court of appeals of the United States, as provided in

section 204, the Secretary at any time, upon such notice and in such manner as he deems proper, but only after reasonable opportunity to the packer to be heard, may amend or set aside the report or order, in whole or in part.

[(d) Complaints, orders, and other processes of the Secretary under this section may be served in the same manner as provided in section 5 of the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

[SEC. 204. (a) An order made under section 203 shall be final and conclusive unless within thirty days after the service the packer appeals to the circuit court of appeals for the circuit in which he has his principal place of business, by filing with the clerk of such court a written petition praying that the Secretary's order be set aside or modified in the manner stated in the petition, together with a bond in such sum as the court may determine, conditioned that such packer will pay the costs of the proceeding if the court so directs.

[(b) The clerk of the court shall immediately cause a copy of the petition to be delivered to the Secretary, and the Secretary shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in such proceedings, including the complaint, the evidence, and the report and order. If before such transcript is filed the Secretary amends or sets aside his report or order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, on notice to the Secretary.

[(c) At any time after such transcript is filed the court, on application of the Secretary, may issue a temporary injunction restraining, to the extent it deems proper, the packer and his officers, directors, agents, and employees, from violating any of the provisions of the order pending the final determination of the appeal.

[(d) The evidence so taken or admitted, duly certified and filed as aforesaid as a part of the record, shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way.

[(e) The court may affirm, modify, or set aside the order of the Secretary.

[(f) If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the hearing to be reopened for the taking of such evidence, in such manner and upon such terms and conditions as the court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings and his recommendations, if any, for the modification or setting aside of his order, with the return of such additional evidence.

[(g) If the circuit court of appeals affirms or modifies the order of the Secretary, its decree shall operate as an injunction to restrain the packer, and his officers, directors, agents and employees from violating the provisions of such order or such order as modified.

[(h) The circuit court of appeals shall have exclusive jurisdiction to review, and to affirm, set aside, or modify, such orders of the Secretary, and the decree of such court shall be final except that it shall be subject to review by the Supreme Court of the United States upon certiorari,

as provided in section 240 of the Judicial Code, if such writ is duly applied for within sixty days after entry of the decree. The issue of such writ shall not operate as a stay of the decree of the circuit court of appeals, insofar as such decree operates as an injunction, unless so ordered by the Supreme Court.

【SEC. 205. Any packer, or any officer, director, agent, or employee of a packer, who fails to obey any order of the Secretary issued under the provisions of section 203, or such order as modified—

【(1) After the expiration of the time allowed for filing a petition in the circuit court of appeals to set aside or modify such order, if no such petition has been filed within such time; or

【(2) After the expiration of the time allowed for applying for a writ of certiorari, if such order, or such order as modified, has been sustained by the circuit court of appeals and no such writ has been applied for within such time; or

【(3) After such order, or such order as modified, has been sustained by the courts as provided in section 204: shall on conviction be fined not less than \$500 nor more than \$10,000, or imprisoned for not less than six months nor more than five years, or both. Each day during which such failure continues shall be deemed a separate offense.】

* * * * *

SEC. 401. Every 【packer or any live poultry dealer or handler,】 stockyard owner, market agency, and dealer shall keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business, including the true ownership of such business by stockholding or otherwise. Whenever the Secretary finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in his business, the Secretary may prescribe the manner and form in which such accounts, records, and memoranda shall be kept, and thereafter any such person who fails to keep such accounts, records, and memoranda in the manner and form prescribed or approved by the Secretary shall upon conviction be fined not more than \$5,000, or imprisoned not more than three years, or both.

* * * * *

SEC. 403. When construing and enforcing the provisions of this Act, the act, omission, or failure of any agent, officer, or other person acting for or employed by any 【packer or any live poultry dealer or handler,】 stockyard owner, market agency, or dealer, within the scope of his employment or office, shall in every case also be deemed the act, omission, or failure of such 【packer or any live poultry dealer or handler】 stockyard owner, market agency, or dealer, as well as that of such agent, officer, or other person.

* * * * *

PACKERS AND STOCKYARDS ACT, AS AMENDED (49 STAT. 648)

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act to regulate interstate and foreign commerce in livestock, 【livestock products, dairy products】 poultry, 【poultry products, and eggs】 and for other purposes, approved August 15, 1921, is hereby amended by the addition of the following title: * * **

* * * * *

"SEC. 502 (a). The Secretary of Agriculture is authorized and directed to ascertain from time to time and to designate the cities where such practices and devices exist to the extent stated in the preceding section and the markets and places in or near such cities where live poultry is received, sold, and handled in sufficient quantity to constitute an important influence on the supply and price of live poultry and poultry products. On and after the effective date of such designation, which shall be publicly announced by the Secretary by publication in one or more trade journals or in the daily press or in such other manner as he may determine to be adequate for the purpose approximately thirty days prior to such date, no person other than [packers as defined in title II of said Act and railroads] *a railroad* shall engage in, furnish, or conduct any service or facility in any such designated city, place, or market in connection with the receiving, buying, or selling, on a commission basis or otherwise, marketing, feeding, watering, holding, delivering, shipping, weighing, unloading, loading on trucks, trucking, or handling in commerce of live poultry without a license from the Secretary of Agriculture as herein authorized valid and effective at such time. Any person who violates any provision of this subsection shall be subject to a fine of not more than \$500 or imprisonment of not more than six months, or both."

"(b) Any person desiring a license shall make application to the Secretary, who may by regulation prescribe the information to be contained in such application. The Secretary shall issue a license to any applicant furnishing the required information unless he finds after opportunity for a hearing that such applicant is unfit to engage in the activity for which he has made application by reason of his having at any time within two years prior to his application engaged in any practice of the character prohibited by this Act *or the Federal Trade Commission Act* or because he is financially unable to fulfill the obligations that he would incur as a licensee."

"SEC. 503. [Sections 202, 401, 402, 403, and 404 of said Act are amended by the addition of the words 'or any live poultry dealer or handler' after the word 'packer' wherever it occurs in said sections.] The term 'live poultry dealer' means any person engaged in the business of buying or selling live poultry in commerce for purposes of slaughter either on his own account or as the employee or agent of the vendor or purchaser.

MINORITY VIEWS

We oppose the action by the majority of the committee in reporting out S. 1356 for the following reasons:

(1) The proposed legislation would create a conflict in jurisdiction which would tend to defeat the objectives of the Packers and Stockyards Act. The proposal transfers to the Federal Trade Commission jurisdiction over agricultural activities for which the Department of Agriculture should have primary responsibility because of the very nature of the agricultural activities.

(2) The Dirksen amendment is the proper vehicle to correct inadequacies in the present law relating to unfair trade practices. This approach would leave primary responsibility over agricultural activities where they properly belong, but at the same time the Federal Trade Commission could exercise jurisdiction over the operations of companies which today may be unwarrantedly classified as packers under the Packers and Stockyards Act.

(1) CONFLICT IN JURISDICTION

With respect to our first objection that the proposed legislation as reported by this committee would create jurisdictional conflicts tending to defeat the basic objectives of the Packers and Stockyards Act, we feel that this objection was well supported by the testimony of Dr. Earl L. Butz, Assistant Secretary of Agriculture, before the Subcommittee on Antitrust and Monopoly. Dr. Butz testified in part as follows:

The Department of Agriculture readily concedes the need for some changes in the Packers and Stockyards Act but does not favor the enactment of S. 1356 (O'Mahoney-Watkins amendment) in its present form.

Livestock comprises an important segment of our agricultural economy today, just as it did at the time the Packers and Stockyards Act was passed. *In fact, over one-half of farmers' cash receipts come from the sale of livestock and livestock products.*¹

The Packers and Stockyards Act is a carefully integrated act. All parts of it are interrelated and supplement each other for the purpose of accomplishing all objectives of the act. In its present form the act provides the Secretary of Agriculture with sufficient authority to maintain open, competitive market places and to prevent malpractices by any organization in the livestock market, or in the meatpacking industry which would tend to restrict competition in or monopolize the business of buying and selling livestock, poultry, meat, or other livestock products.

¹ All italics throughout report is ours.

At present, approximately 2,000 meatpackers are under the jurisdiction of the Packers and Stockyards Act, and around 1,000 stockyards are posted or eligible for posting under the act. *S. 1356 would create a conflict in jurisdiction which would tend to defeat the objectives of the act.* As an example, if S. 1356 were enacted in its present form the Department would retain jurisdiction over the livestock transactions of packers and others on posted stockyards while jurisdiction over such transactions in commerce elsewhere would be vested in the Federal Trade Commission. *The transfer of jurisdiction over the direct country buying operations of packers would interfere with the Department's function of assuring that apparent competition at public livestock markets is, in fact, adequate or true competition.* Nor could the Department effectively prevent or uncover many important restrictive, discriminatory, or monopolistic practices at points away from posted stockyards affecting the prices to be paid at posted stockyards. *In fact, the Department would be left with the responsibility for assuring competitive livestock markets, but without jurisdiction over the meatpacking industry (the principal purchasers),* which is so important in the competition and trade at those markets. The Department believes that this proposed bill, if enacted in its present form, would substantially reduce the potential effectiveness and the ultimate value of the Packers and Stockyards Act to the livestock producers and feeders.

Mr. Charles Bucy, Assistant General Counsel, United States Department of Agriculture, in answer to a question as to the impact of repealing title II of the Packers and Stockyards Act, stated:

If you got into a proceeding otherwise under title III involving transactions on the posted stockyards and off the posted stockyards, if your case developed that the unfair practices took place off the yards, we would go through a proceeding uselessly and not be able to issue a cease and desist against the packer, because his unfair practices took place off the yard rather than on the yard; whereas under title II, where we have jurisdiction over all of his livestock transactions, we can issue the C and D no matter where it develops factually the actual unfair practice took place.

(2) PRIMARY JURISDICTION SHOULD REMAIN IN THE DEPARTMENT OF AGRICULTURE

If the Dirksen amendment were to be adopted as a substitute for S. 1356, then primary responsibility over agricultural activities would remain in the Department of Agriculture where it properly belongs but at the same time the Federal Trade Commission could exercise jurisdiction over the operations of companies which today may be unwarrantedly classified as packers under that definition as presently interpreted in the Packers and Stockyards Act. The Dirksen substitute would redefine packers and live poultry dealers so as to limit the application of the Packers and Stockyards Act only to those who are principally engaged in packer and slaughter activities. This language thus eliminates the application of the packer provisions of the Packers and Stockyards Act to persons who are primarily engaged in some other

activities but have acquired an interest in the packing industry which represents a relatively minor part of their operations. Thus, grocery chains who have acquired a minor interest in a packing plant would not fall within the jurisdiction of the Packers and Stockyards Act but rather under the Dirksen language be subject to the Federal Trade Commission Act.

The Dirksen substitute further authorizes the Federal Trade Commission, upon a determination by the Secretary of Agriculture that it is in the public interest, to institute proceedings exercising all of the Secretary's authority against persons subject to the Packers and Stockyards Act. Thus, under this language, the Department of Agriculture would continue to have its necessary jurisdiction over the meatpacking industry and at the same time the Federal Trade Commission could exercise jurisdiction over the operations of companies which today may be classified as packers under the Packers and Stockyards Act, thereby obviating the situations which have occurred whereby nonfood stores and chain foodstores have been able to circumvent present law by obtaining a 20 percent or more interest in meatpacking concerns, and thereby taking themselves out from under jurisdiction of the Federal Trade Commission.

Secretary Butz, during his appearance before the subcommittee, reiterated that the language such as proposed in the Dirksen substitute would curb the practice of nonpackers buying a 20 percent interest in a packing plant and thus qualifying under the term "packer" and escaping Federal Trade Commission jurisdiction, and that this amendment would prevent these nonpackers from escaping Federal Trade Commission jurisdiction if language such as proposed herein were enacted.

A lengthy colloquy between Dr. Butz and Senator O'Mahoney during the hearings highlights in great detail what would be accomplished in the event that the Dirksen substitute were to be adopted. The following colloquies are illuminative on this point:

Senator O'MAHONEY. Secretary Butz, I wanted to ask you some questions I had in mind this morning with respect to the nature and the interpretation of the amendment which you suggest. If you will turn to page 9 of your recent statement, you will find it set forth there.

Your first suggestion is the redefinition of packers and live-poultry dealers as those principally so engaged, and you and your counsel agree that by "principally" you mean at least 50 percent.

Mr. BUTZ. I think so.

Senator O'MAHONEY. Then on No. 2 you say, "With respect to others not included in this modified definition, the Department of Agriculture would retain jurisdiction only over their livestock and live poultry transactions."

What do you mean by "transactions"?

Mr. BUTZ. Well, this gets at the country buying of livestock and poultry. This would be one of those companies that its minor line of activity would be its livestock activity. We want to retain jurisdiction over their livestock and poultry activities.

Let me read what is in the report we made on the bill which I think clarifies this, and we might put it in the record at this point, Mr. Chairman.

The language we had in the report was as follows:

"It shall be unlawful for any packer or live-poultry dealer with respect to any activity or any other person with respect to buying livestock or live poultry for purposes of slaughter"—and then there is some legal language here, and then it goes on to explain. It says:

"Under this amendment packers and live poultry dealers as redefined in amendments (1) and (3) would be subject to the jurisdiction of the Department of Agriculture as heretofore. Other persons"—and those are the ones we speak of now——

Senator O'MAHONEY. Where are you reading from?

Mr. BUTZ. From the report, page 3, the first full paragraph.

"Other persons"—and those are the ones we speak of now—"heretofore subject to the jurisdiction of the Department under title II—PACKERS—of the act would be subject to the jurisdiction of the Department with respect only to the buying of livestock and live poultry for purposes of slaughter and with respect to all other activities would be subject to the jurisdiction of the Federal Trade Commission."

Mr. FRISCHKNECHT. This would be a firm like Hot Shoppes which is primarily in the restaurant business and which owns a packing plant and under the definition now contained in the law is classified as a packer.

Mr. BUTZ. And under the present definition Hot Shoppes are subject entirely to the Packers and Stockyards Act. Under this amendment only their purchase of livestock and their packing operations would be subject to it.

Senator O'MAHONEY. Now, since you used the word "only," can you tell the committee what, in your interpretation, is excluded from the jurisdiction of the Department of Agriculture by your proposal?

Mr. BUTZ. I think in this case we would exclude all the nonpacking activities of that particular company; the Hot Shoppes, for example, is primarily a restaurant. That entire operation would be excluded. Their purchase of food-stuffs from elsewhere would be excluded. We would supervise only their operations concerned with the purchase of livestock and the slaughtering.

Senator O'MAHONEY. And by whom or what Government agencies would those excluded operations be supervised?

Mr. BUTZ. Federal Trade Commission.

Senator O'MAHONEY. And you want that to be clearly stated in any amendment that you propose?

Mr. BUTZ. Yes, sir.

Senator O'MAHONEY. Now, then, we proceed to No. 3. I am reading from your statement now.

"Provided that, upon a determination of the Secretary of Agriculture that it is in the public interest in any case, the Federal Trade Commission would be authorized to proceed

against any person subject to the Packers and Stockyards Act exercising all the authority vested in the Secretary."

Now, as I read that, it means, first, that there must be a determination by the Secretary.

Mr. BUTZ. That is——

Senator O'MAHONEY. Before the Federal Trade Commission——

Mr. BUTZ. That is correct, the way this reads.

Senator O'MAHONEY. Before the Federal Trade Commission would be authorized to proceed. How is this determination to be obtained?

Mr. BUTZ. Well, I should think it could be obtained in a number of ways. I think, for example, of a current case, the case where the Federal Trade Commission is investigating the sale of ice cream in some of the Northwestern States. One of the agencies involved there is a packer which, under the proposed definition here, would still be a packer. It is a major packer. The Secretary of Agriculture either on his own initiative or after consultation with the attorneys of the Federal Trade Commission who are in consultation with their own attorneys on this case could decide that this is a case that can best be handled in the public interest by transferring jurisdiction to the Federal Trade Commission so that they handle all the companies together in this particular case.

Senator O'MAHONEY. Well, isn't it a fact, therefore, that the Federal Trade Commission would have to petition the Secretary of Agriculture to permit it to look into a particular case?

Mr. BUTZ. Not necessarily. I think in this particular case, as I understand it, our attorneys have been working concurrently with the attorneys in the Federal Trade Commission on this case. In this case the Secretary of Agriculture on his own initiative may decide that this is best handled by transferring it to the Federal Trade Commission.

It is our view that due to the fact that the wholesale distribution of livestock products is a business so closely related to the welfare of agriculture that the responsibility for any needed regulatory action should properly rest with the Department of Agriculture.

A number of witnesses testified during the hearings to the general effect that primary jurisdiction and regulatory control over the meat-packing industry properly belongs in the Department of Agriculture. We feel it pertinent at this time to set out comments made at the hearings touching this point.

Mr. Sam Hyatt of Wyoming appeared and presented the prepared statement of Mr. Radford Hall, executive secretary, American National Cattlemen's Association (composed of 28 State organizations), part of which statement reads:

Resolved, That we oppose legislation that would transfer authority now under the Packers and Stockyards Act to the Federal Trade Commission.

Mr. W. I. Driggers, Santa Rosa, N. Mex., vice president of New Mexico Cattle Growers Association, (5,000 cattle producers) submitted a resolution of the 43d Annual Convention of the New Mexico Cattle Growers Association on March 26, 1957, which states in part:

* * * oppose any legislation removing meat packers from the jurisdiction of the Packers and Stockyards Administration.

Mr. John H. Guthrie, California Cattlemen's Association and California Cattle Feeders Association, presented resolutions of those organizations opposing S. 1356. He stated further:

* * * But, in addition, the experience of OPS, with which I was personally familiar, and the experience of this industry under OPA before it, proved that despite the wholehearted effort of the Federal Government, backed by the honest efforts of the law-abiding elements in the meat and livestock industry, the prices of meat could not be controlled. Therefore, it seems ridiculous to me that some segment of this industry can accomplish what all segments—and the Federal Government—failed to do.

It is my considered judgment that it is impossible for the livestock producers, the feeders, the packers, the wholesalers, or the retailers to control meat prices. It is my further judgment that there is absolutely no monopoly in the meatpacking industry today, nor has there been since I have been connected with the livestock and meat industry.

* * * * *

I feel that I can speak for the western producers of livestock, as well as the western feeders.

Mr. Chairman, I am just as interested, as is the Congress, in preserving competition within the meatpacking industry. It has been my experience that aggressive competition does exist and I know this to be true, especially in California where there has been a steady and healthy growth in the meatpacking and meat wholesaling businesses. * * *

Mr. Ernest S. Holmes, president of the Montana Meat Packers Association, appeared and stated:

I am here to testify in opposition to the proposed transfer of jurisdiction of the meatpacking industry from the United States Department of Agriculture to the Federal Trade Commission. I wish to lodge my objection to S. 1356 with this committee because it is my sincere conviction that this proposed transfer is entirely unnecessary as a means of enforcing competition in the meatpacking business. By the way, 5 of the 7 largest independent slaughterers in Montana are opposed to this legislation.

It doesn't take supervision by the Federal Trade Commission to prove that the meatpacking industry is subject to antitrust laws. In the first place, the Department of Justice has the authority to enforce these antitrust laws and many, many times has exercised its authority, although it appears to me that a lack of convictions of meatpackers proves a lack of illegal activity on the part of the packers. *I fail to see how the Federal Trade Commission would be better able than the United States Department of Agriculture and the Department of Justice to prevent unfair trade practices and monopolistic acts.* In my experience, the USDA supervision of the meatpacking industry has been most effective. I think by

this time most of us realize that since the Packers and Stockyards Act was passed in 1921 there has not been one conviction in the industry for violation of the antitrust laws. *For example, I recall in 1 year that the Department of Justice brought 11 major criminal cases involving packers of all sizes. These cases were either dropped, dismissed, or lost on trial.* That proves to me that primarily the USDA's supervision has been more than adequate. I don't believe that monopoly can possibly exist in that atmosphere.

I think, however, that it may be desirable to amend the Packers and Stockyards Act with language which would define a meatpacker once and for all. It would certainly clear the air for Congress, which seems to be extremely disturbed about the activities of one of the cleanest industries in the Nation. It is my firm conviction, based on experience, that packers do compete vigorously. And they will continue to do so with or without Government regulation. It is the nature of the industry.

Mr. Wesley Hardenbergh, president, American Meat Institute, stated:

If I may, sir, I would like to submit a list of those organizations which we have heard expressed opposition to S. 1356.

Senator O'MAHONEY. The names may be submitted.

Mr. HARDENBERGH. The California Farm Bureau; California Cattlemen's Association; California Cattle Feeders Association; New Mexico Cattle Growers; Texas and Southwestern Cattle Raisers; Minnesota Farm Bureau; American Farm Bureau Federation; American National Cattlemen's Association; the National Grange; Kansas Livestock Association; Missouri Livestock Association; Arizona Cattle Feeders Association; Oregon Cattlemen's Association.

Senator Clinton P. Anderson, New Mexico, who appeared with Mr. W. I. Driggers, was asked by Chairman Estes Kefauver to comment on S. 1356. Senator Anderson stated:

But I do believe that in the handling of this law *I would hesitate before I took it away from the Department of Agriculture. I don't insist that the Department of Agriculture shouldn't call on, frequently, the Federal Trade Commission.* I think it would be profitable if it did because there are certain types of investigative work that the Department of Agriculture may not be equipped to do. But I would want to see a bill of particulars as to why the Department hadn't done its work well, and I don't believe that that will come from the people who have cattle, from Florida and some of the Eastern States on to the foothills of the Rockies.

We believe that the statements made by these witnesses set forth above amply demonstrate the need for adoption of the Dirksen substitute in preference to the language of S. 1356 as reported.

The most informative session of the hearings was the testimony of Mr. Wesley Hardenbergh, president of American Meat Institute, and Mr. Templeton Brown, attorney for the institute. To fully appreciate their testimony, one must read the entire transcript. Time and time

again, misconceptions previously presented to the subcommittee were clearly and effectively corrected.

In supporting the position that jurisdiction should remain with the Department of Agriculture and not be transferred to the Federal Trade Commission, Mr. Hardenbergh stated as follows:

Mr. HARDENBERGH. We feel that the whole system of marketing and processing of livestock and meat is integrated, and it is impossible to separate one portion of the process and label it agricultural and arbitrarily say that everything else is a matter of trade.

Congress considered the question of regulation for the meatpacking industry for a long time before it decided to place jurisdiction in the Department of Agriculture. The Interstate Commerce Commission and other agencies were considered for this jurisdiction before the final decision was reached. *The final decision that was reached was based primarily on the fact that meatpacking is an inseparable part of the business of agriculture.*

* * * * *

There are many other close connections between the meatpacking industry and agriculture, including meat inspection by Department of Agriculture representatives, disease-control relationships, breeding and feeding research relationships, and many others.

It seems to us that the proposed bill would destroy many of the benefits inherent in a coordinated approach to these various problems. While proponents of the bills have mentioned a few livestock-producer groups which support them, other groups representing a much larger number of producers and a much larger part of livestock production are opposed to them for the reasons I have mentioned. Some of these groups have gone on record before this committee or, we understand, plan to do so.

* * * * *

The existence of a separate agency to do a specialized job of regulation should not be considered cause for alarm in view of the fact that there are many other governmental agencies of a specialized nature. The banks, the railroads, the securities exchanges, airlines, communications, and the public utilities are all under the jurisdiction of agencies of this type. If the arguments in support of S. 1356 have merit, then logically jurisdiction of the FTC should be extended to cover many types of business now under other supervision.

The majority report takes to task the enforcement record of the Department of Agriculture under the Packers and Stockyards Act. Brief references to testimony of witnesses places this enforcement situation in its proper perspective. It would do well to quote from some statements made by Mr. Wesley Hardenbergh and Mr. Templeton Brown, as follows:

Mr. HARDENBERGH. Proponents of this legislation have apparently succeeded in creating the impression that the meatpacking industry is not subject to antitrust laws. As I shall point out later, it is difficult to think of any other

industry, the activities of which have been subject to closer scrutiny by the Government. The present hearing is but one of many occasions on which we have given an account of industry activities.

In this connection, it should be noted that there has been a widespread misinterpretation of some of the statements made by proponents of these bills. It should not be assumed that lack of FTC jurisdiction means immunity. * * *

The Department of Justice has authority to enforce the antitrust laws against meatpackers and on many occasions has sought to exercise that authority, although the lack of convictions proves an absence of illegal activity.

Mr. McHUGH. Now is it your opinion that the Agriculture Department, over this period of time, has made a diligent study of these various acquisitions to determine whether or not it has any anticompetitive consequence?

Mr. HARDENBERGH. I do not know whether the Department of Agriculture has made a diligent study, but, Mr. McHugh, the Department of Justice has brought 12 proceedings against the meatpacking business over the period of the last 15 years, and some of them were investigated over a period of years, and all of this question of acquisition was gone into thoroughly.

I am sure if the Department of Justice found anything, they would have acted. And the fact that they did not would indicate to me, if I were in charge of the packers and stockyard administration, that there was nothing for them (FTC) to do. All they could do is tell them to cease and desist.

The Department of Justice can take punitive action. * * *

Mr. BROWN. They went to the question very thoroughly in the so-called dissolution case, which was the last and largest of cases that was filed.

Mr. McHUGH. That was filed when?

Mr. BROWN. It was filed in 1948 and it was dismissed in 1954. It was under investigation prior to that date and, oh, I would say, many, many tons of material were supplied to the Department during the years that it pended.

* * * * *

Mr. BROWN. *Senator, I do not think this committee has a clear picture at all of the nature or scope of the enforcement activities of the Department of Agriculture. You speak of appropriations made to enforce section II. As a matter of fact, most of the investigation that would be conducted of the practices of the packing industry would be conducted under section III, because in regulating the market, you regulate the purchases made by the packers.*

Virtually all of the actions brought by the Department, or by the Government, have involved livestock purchasing practices. The investigation of those is conducted under section III and not under section II.

It is also unfortunate that the Department of Agriculture makes no noise about its regulatory activities. It proceeds in an informal manner, rather than by formal complaint.

Instead of waiting until a practice is crystalized and becomes the subject of a complaint, it is the practice of the Department through its 60 or 70 specialists who are on the market every hour of the day, to walk up and say, "Now, we do not believe in this turn system—maybe it is illegal, maybe it is legal—we do not like it. Quit it."

Now that does not come in the form of a complaint, but that, I call, effective regulation. And you will find that that has occurred in market after market and in instance after instance.

You speak of having only a limited number of employees available for regulatory purposes. The fact of the matter is that there are these 60-odd persons on the market every day who form a constant conduit of information as to everything that goes on the market.

You have your news services which automatically give the Department daily information on prices, both at the buying level and at the selling level, which is information of inestimable value.

* * * * *

Mr. BROWN. I am sure, Senator, that if the complaint were made of improper buying practices to the Department of Agriculture, *they would be equally anxious, and better equipped to investigate those practices than would the Federal Trade Commission.*

Now furthermore, direct buying practices was one of the matters under investigation, again, in the major suit that was filed in 1948, and they have been the subject of investigation in other actions by the Department of Justice.

Mr. HARDENBERGH. And by the Department of Agriculture.

Senator DIRKSEN. *In light of the chairman's question, I am curious about the vehement opposition of, for instance, the California Cattlemen's Association, consisting of perhaps 2,600 members, or whatever they have, and these other cattlemen's association. They are the producers, the sellers. If that were true, why should they be against this bill?*

Mr. BROWN. The question answers itself, Senator.

In that same connection, there seems to be a feeling that the Federal Trade Commission has an investigative group that is always out in the field looking for improper trade practices. *Actually, the Federal Trade Commission, just as the Department of Agriculture, acts basically upon complaints that are made to it, and not upon the basis of investigations generated or instituted by it.*

I do not know of any industry that has as many persons attached to a regulatory agency which are constantly surveying its operations as the packing industry.

* * * * *

Mr. BROWN. I think directly the contrary, because I think it is an indication that the improper activities at that end are either nil or minor. That is an area that has been investigated by the Department of Justice, again, and they found nothing improper in that area.

Senator DIRKSEN. *It could mean one other thing: if they have good surveillance it means that the difficulty was probably cured before it moved very far.*

Mr. BROWN. *Certainly.*

In further answer to letters and statements introduced into the record as to the number of complaints filed and cease and desist orders issued, Mr. Brown stated as follows:

In the first place, and this very obviously is subject to check and confirmation by counsel, I think you will find the record given by the Under Secretary of Agriculture respecting *the number of complaints processed within the period 1953 will compare very favorably with the number of complaints processed by the Federal Trade Commission in connection with complaints against any other industry.* I think you will also find, by check with the Federal Trade Commission, innumerable industries with respect to which the Federal Trade Commission has undertaken no investigation of monopolistic practices within 11 years, or 20 years, or 30 years, ordinarily because of the fact that no monopolistic practices exist.

* * * * *

Well, I think that this is of great significance. *This does not take into consideration the direct action taken by Agriculture in numerous instances by which practices are discontinued as a result of a statement, "We do not believe in this. Stop it."*

Now merely because it does not get into the form of a formal complaint and is filed, that does not mean that there is no effective regulation.

Mr. McHugh. Mr. Brown, can you give us some specific examples of that?

Mr. BROWN. Yes; I can. The one that comes most easily to mind is in connection with turns. This means that a commission firm on a yard, because it cannot show livestock in every purchase at the same time, says, "Well, you flip and see which one comes in and bids first, or we will do it by rotation."

There are various forms of it. Whether it is improper or not, I do not know. There is an argument on both sides. But I know of numerous instances in which Agriculture has taken the position that that is improper, and it has been stopped, not upon the filing of a formal complaint, but upon the statement of a specialist on the yard, or someone else, "Stop the practice"—and the practice is stopped.

Mr. McHUGH. This is law enforcement by hand slapping?

Mr. BROWN. Hand slapping is all that the Federal Trade Commission has, sir. The Federal Trade Commission does nothing but issue a cease and desist order. Whether it is in the form of a written order or a statement, the effect is the same.

* * * * *

There is no public record as far as the rest of the industry is concerned. However, it seems to me that that has no significance in determining whether or not the regulation is

effective. Punishment is not the function of either Agriculture or the Federal Trade Commission.

Senator DIRKSEN. *Wouldn't the country be so much better off if the ponderous machinery of the Government did not always have to be set in motion—if you can get it done administratively and it is effective?*

What difference does it make how many records there are if you get the results?

The majority report, under the subject of Enforcement Record of the Department of Agriculture, also points out that the power to request the Federal Trade Commission to investigate and report on specific cases has never been used by the Secretary of Agriculture.

An answer to this contention is the following colloquy:

Senator KEFAUVER. Has the statement been put in the record?

Mr. CHUMBRIS (staff member). Yes, sir; it was, on Friday.

Senator KEFAUVER. Take the statement and give us your opinion of it later on, if you would like to.

Mr. McDONALD. I thank you, Mr. Chairman. I will.

Mr. CHUMBRIS. On page 4 of the statement, they say that: "Secretary Benson points out that the Secretary of Agriculture has authority to request the Federal Trade Commission to make investigations and report to him. *He also says that he will refer to the Federal Trade Commission all apparent unfair trade practices discovered by the Department of Agriculture staff which may be within Federal Trade Commission jurisdiction, and will request the Federal Trade Commission to help on any investigation where it appears to be in the public interest.*" And for that reason they (American National Cattlemen's Association) say they see no need for the legislation.

Further, Senator Anderson of New Mexico, in his appearance before the committee, stated that the Secretary of Agriculture should make more use of the provisions of section 406 (b) of the Packers and Stockyards Act in requesting the Federal Trade Commission to make investigations and report in such cases.

The majority report states that the Department of Agriculture has sought to excuse its nonenforcement on the grounds it lacked funds but it has not sought appropriations for this purpose.

This point has been effectively answered by Secretary Butz' statement before the subcommittee which appears in full in this minority report and also in colloquies between Senator Dirksen and representatives of the Department of Agriculture:

Mr. BUTZ. \$175,000 that we have requested in the budget for next year as an increase to "Packers and stockyards" and then we expect within the Agricultural budget to transfer some additional \$75,000 into strengthening of title II, which will make approximately \$250,000.

Mr. Butz, in his statement, stated:

It may be, however, that both the Department and Congress may have followed a too modest course of providing funds for administering the act.

This, of course, has now become a reality, since the subcommittee has been advised by Senator Dirksen, as follows:

Senator DIRKSEN. Mr. Butz—and maybe Mr. Pettus want to answer this—Congress helps to keep you thin; does it not? If I remember correctly, the House took \$178,000 out of your appropriations in your budget request for “Packers and stockyards” this year; did they not?

* * * * *

Senator WATKINS. We would be very happy to have you give a bill of particulars with respect to Congress. If Congress is to blame, I think we ought to have the evidence, and if we are we certainly will have to reform.

* * * * *

Senator DIRKSEN. *Mr. Butz, I wanted to emphasize this for clarity now, because it was stated here that you are operating rather thinly. Of course, that simply means sufficient personnel, and when you ask for personnel the only place you can get it is if Congress gives you the money. So you go before the House committee and ask for the \$981,000 to enforce the Packers and Stockyards Act, and they shortchange you and give you \$178,000 less than your budget request.*

The majority report also refers to the allegation that the Department of Agriculture does not have adequate trained staff for the purpose of enforcing unfair trade practice provisions of title II of the act.

We do not agree with that statement. Previous reference from the record substantiates the position that from all factors considered, the Department of Agriculture is in a better position than the Federal Trade Commission in enforcing the unfair trade practice provisions of title II of the act.

Noting further from Mr. Hardenbergh's statement, he said as follows:

“USDA JURISDICTION HAS BEEN EFFECTIVE

No one has explained satisfactorily so far just how the Federal Trade Commission would be able to prevent unfair trade practices and monopolistic acts in the meat industry better than the Department of Agriculture can.

The point has been made that the Federal Trade Commission has a large staff of some 700 people to work on trade practice enforcement as compared with only 3 in the Department of Agriculture. *The FTC probably has 3 or 4 million individuals, firms, companies or corporations to supervise throughout the United States, or some 4,000 per employee. (Department of Commerce figures for 1954 indicate that there were in that year more than 4 million firms doing business in the United States.) In contrast with this huge number, the USDA (granting that the figure of 3 employees is correct, despite the fact the Department says it has 78 full-time and 5 part-time employees who may be utilized in investigations whenever necessary) has about 1 employee per thousand meatpackers and stockyard enterprises it has under its jurisdiction.*

Apparently the edge, personnelwise, is very definitely with the Department, and the foregoing comparison proves that the

argument that the Department lacks sufficient personnel to do the job is pointless. It has been reported that the Federal Trade Commission believes it can take on this additional activity without additional personnel. This raises the question whether there has been effective utilization of the Commission's personnel in the last several years and the question whether without this additional workload the Commission would be able to cut down on its personnel and thereby save Federal expenditures.

Mr. McHUGH. Mr. Hardenbergh, isn't it true that the Commission has stated that it is now its feeling that it has sufficient personnel to enforce this new statute if enacted without additional funds, but that it would wait for the passage of a period of time to determine whether its experience warranted a request for additional appropriations?

Mr. HARDENBERGH. Yes. I think my point is illustrated, however, that that raises a question as to whether the Commission's present personnel are effectively employed, if they can take on all of this additional work.

Mr. McHUGH. Well, won't it really be a question of waiting for a period of time, a year or two, to determine the validity of that point?

Mr. HARDENBERGH. Well, either they will be able to take it on or they won't. If they are able to take it on it does indicate, I think, the validity of my point.

Senator DIRKSEN. Well, there is a provision in the Packers and Stockyards Act that if the Secretary of Agriculture feels the need for having an investigation made by the Federal Trade Commission, he can do so.

Mr. HARDENBERGH. That is right, sir.

To reemphasize this point, the minority makes reference to the following previously quoted testimony of Mr. Brown:

It is also unfortunate that the Department of Agriculture makes no noise about its regulatory activities. It proceeds in an informal manner, rather than by formal complaint. Instead of waiting until a practice is crystallized and becomes the subject of a complaint, *it is the practice of the Department through its 60 or 70 specialists who are on the market every hour of the day, to walk up and say, "Now, we do not believe in this turn system"—maybe it is illegal, maybe it is legal—"we do not like it. Quit it."*

Now that does not come in the form of a complaint, but that I call effective regulation. And you will find that has occurred in market after market and in instance after instance.

You speak of having only a limited number of employees available for regulatory purposes. The fact of the matter is that there are these sixty-odd persons on the market every day who form a constant conduit of information as to everything that goes on on the market.

You have your news services which automatically give the Department daily information on prices, both at the buying level and at the selling level, which is information of inestimable value.

The majority report states that the failure of the Department of Agriculture to litigate under title II of the Packers and Stockyards Act has resulted in complete absence of a body of case law.

We think that contention of the majority is well answered by the following observation made by Senator Dirksen during the hearings:

Wouldn't the country be so much better off if the ponderous machinery of the Government did not always have to be set in motion—if you can get it done administratively and it is effective?

What difference does it make how many records there are if you get the results?

In respect to the absence of a body of case law, this was answered by Mr. Charles Bucy, Assistant General Counsel, United States Department of Agriculture, in the following words:

There have been administrative proceedings applying this question of discrimination and, of course, the Robinson-Patman Act court decisions are available as interpreting what is unjust discrimination in price under the Packers and Stockyards Act. There have not been any court cases, that is, any of the final decisions in administrative proceedings have not been the subject of court review involving this particular question.

Mr. McHUGH. And is it not true that we have a very well defined body of law explaining what constitutes an unlawful discriminatory price as a result of enforcement of certain statutes by the Federal Trade Commission?

Mr. Bucy. As a result of actions by the Federal Trade Commission and the Department of Justice, we have cases interpreting and holding what is a discriminatory price and those are equally applicable and available in cases under the Packers and Stockyards Act.

The majority's contention that the Department of Agriculture needs cooperation from the meatpacking industry to carry on many of its functions and is, therefore, loathe to prosecute companies from which it is seeking help, is completely without merit and needs no further comment.

The majority states that the Department of Agriculture's handling of the Safeway complaint typifies its lack of interest in aggressive law enforcement. They point out that Mr. Butz, Assistant Secretary of Agriculture, felt that the practices in the Safeway complaint were part of a larger problem involving the whole question of the impact of this type of practice on the pricing structure.

However, the majority report fails to state the full impact of Mr. Butz' testimony. It would do well to present the following colloquy:

Mr. McHUGH. But, nevertheless, the Department did not see fit, as I understand from your testimony, to proceed with making an investigation looking to possible violation of the Packers and Stockyards Act.

Mr. Butz. The Department is going forward with a very broad investigation of this. As I pointed out this morning, we decided to make it broader than the specific allegations which had been made. Over the noon hour I got a list of the

topics of investigation which are currently going forward. We have six different areas of investigation.

Mr. McHUGH. Investigation of what is this?

Mr. BUTZ. Let me read the topics, if I may.

It will give you some idea of the whole area and this grows out of the allegation that came with respect to the Safeway Stores because, as I said this morning, this is much broader than Safeway. It involves a whole philosophic concept of marketing and pricing and what a particular group of agencies in the market structure can or cannot do.

These are the six general headings under which studies are currently going forward.

The first general area is economic analysis of the whole meat distribution in the San Francisco Bay area. That is nearing completion.

The second, economic effects of the distribution of beef by United States grades. We had gotten a good deal of complaint about pricing by grades.

Third, Los Angeles chain-store beef-procurement and wholesale-pricing study.

Fourth, special problems in marketing slaughter cattle in the West.

Fifth, economic analysis of the changing locations of livestock slaughter and processing.

Sixth, price behavior and price relationships among country and terminal markets for hogs.

The majority report discusses recent decisions and rulings which they claim hinder the effective antitrust enforcement by the Federal Trade Commission. They use this argument as the reason why S. 1356, as amended, should be adopted. They do not point out, however, that the Dirksen substitute will correct the very difficulties which have been raised by *The United Corporation v. The Federal Trade Commission* case and the Food Fair case as well as other cases referred to in the majority report and at the same time not cause the consternation to the Department of Agriculture in its enforcement of title III as previously stated in Secretary Butz' testimony and statement to the subcommittee as follows:

As an example, if S. 1356 were enacted in its present form, the Department would retain jurisdiction over the livestock transactions of packers and others on posted stockyards while jurisdiction over such transactions in commerce elsewhere would be vested in the Federal Trade Commission. The transfer of jurisdiction over the direct country buying operations of packers would interfere with the Department's function of assuring that apparent competition at public livestock markets is, in fact, adequate or true competition. Nor could the Department effectively prevent or uncover many important restrictive, discriminatory, or monopolistic practices at points away from posted stockyards affecting the prices to be paid at posted stockyards. In fact, the Department would be left with the responsibility for assuring competitive livestock markets, but without jurisdiction over the meatpacking industry (the principal purchasers), which is so important in the competition and

trade at those markets. The Department believes that this proposed bill, if enacted in its present form, would substantially reduce the potential effectiveness and the ultimate value of the Packers and Stockyards Act to the livestock producers and feeders.

The above quotation is further buttressed by the quotation from the testimony of Mr. Charles Bucy, as follows:

If you got into a proceeding otherwise under title III involving transactions on the posted stockyards and off the posted stockyards, if your case developed that the unfair practices took place off the yards, we would go through a proceeding uselessly and not be able to issue a cease and desist against the packer, because his unfair practices took place off the yard rather than on the yard; whereas under title II, where we have jurisdiction over all of his livestock transactions, we can issue the C. and D. no matter where it develops factually the actual unfair practice took place.

We believe that the Dirksen substitute corrects the doubt raised by a series of recent decisions and dramatized by the Food Fair decision. However, for the purposes of the record, it should be pointed out that the Food Fair decision is the opinion by the trial examiner and subject to review by the Federal Trade Commission itself.

It is interesting to note that the complaint filed in the Food Fair case was under section 5 of the Federal Trade Commission Act, but did not include section 2 of the Robinson-Patman Act. Had this been done, then a very interesting legal question arises as to whether the Federal Trade Commission would or would not have jurisdiction in the matter.

Mr. Earl W. Kintner, General Counsel, Federal Trade Commission, in his appearance before the subcommittee, in answer to this issue, stated as follows:

It might be, because there is in the Packers and Stockyards Act an exclusion of the Clayton Act from the operations of the Packers and Stockyards Act. And while the enumeration in the Packers and Stockyards Act of the business practices covered by that act is rather extensive, somewhat broad, and might be construed as covering price discriminations, yet one must bear in mind the fact that a section of the same act specifically excludes the Clayton Act, and it is persuasive to me, at least, that the Congress did not intend that Clayton Act practices should be excluded or should be excluded from the reach of the Federal Trade Commission Act, even though a packer might be concerned.

Also, it is well to bear in mind that when the Congress amended the Federal Trade Commission Act and specifically said that packers were excluded from its jurisdiction, the same action was not taken with respect to the amendments in the Clayton Act at that time.

You asked me earlier the question whether or not consideration was so given to depriving the Federal Trade Commission of Clayton Act jurisdiction over packers, and I told you that I believe that I knew of no such consideration. Certainly, it is a fact Congress has not seen fit to handle this

matter of exclusion so far as the Clayton Act is concerned in the same manner as it has handled the exclusion of packers under the Trade Commission Act.

As stated previously, this point was raised merely to show that violations by meatpackers or nonfood or chainstores owning a 20 percent or more interest in a meatpacking plant does not necessarily mean that the Federal Trade Commission could not pursue against them for unfair trade practices under the Robinson-Patman amendment to the Clayton Act. We reiterate that the Dirksen substitute corrects any doubt as to the Federal Trade Commission jurisdiction in this matter.

INTERESTING STATISTICS PERTAINING TO THE MEAT INDUSTRY

Testimony adduced during the course of the hearings reflects a serious difference of opinion as to some of the statistics affecting the meat industry. These statistics deal primarily as to whether the Big Five in the meat industry of the Big Ten in the meat industry have so garnered the business that they have forced the independents and the smaller national packers out of business or have so curtailed their operations that they are operating under a small margin of profit.

The Western States Meat Packers Association, Inc., during the course of their testimony through their witnesses made specific charges against some of the larger meatpackers in the United States. A statement by Armour & Co., makes a detailed point by point refutation of charges made by the Western States Meat Packers Association, Inc., and others and it would be very illuminating if space permitted both the charges and the refutations in this report. The prepared statement by Swift & Co., very much agrees with the view taken by Armour & Co. in this respect. It would do well here to reveal some information from more neutral sources and quotations from disinterested publications so that the Congress may have a birds-eye view of statistical data affecting the meat industry. In this connection, Mr. Hardenbergh of the American Meat Institute made these observations (hearings, p. 294):

I would just like to continue on the line we were on before we get into some other angles, and quote from the National Provisioner, of December 8, 1956. They had an article called *Alive and Kicking*. I will read just a little bit of it, and I would like to have the rest in the record, if you are willing.

Senator O'MAHONEY. That will be agreeable.

Mr. HARDENBERGH. This is what it says:

"Out of a good sample of the manufacturing meat industry—518 plants to be exact—494 have just told the National Provisioner that they plan significant expansion in their buildings or the addition of major equipment items during the coming year."

Of the firms reporting, 55 have plans for new and/or branch plant buildings; 80 will construct additions; 7 will undertake renovation; 8 will add livestock space; 13 will build new and larger shipping facilities; 15 will expand storage and warehouse facilities, and 24 companies will improve or enlarge their office space.

"About 10 percent—51 firms—are going to build new and/or larger livestock slaughtering facilities, while 117 plan significant changes or expansion in their refrigeration systems. Addition or expansion of freezing capacity is planned by 52 companies. Thirty-six firms intend to give attention to their rendering department, either enlarging them or adding new equipment, while 24 are focusing on fabricating and cutting facilities. Twenty-eight of the reporting companies will add or renovate existing sausage kitchens, and 44 plan to acquire more sausage equipment.

"Smokehouse facilities are slated for replacement or expansion in 45 plants; 43 firms plan to add packaging departments, and 23 will add wrapping equipment.

"Plenty of other small and large projects, too numerous to mention here, were reported to the Provisioner in the survey."

Then I am going over to page 9, where it says:

"The companies reporting in the survey did *not* include any of the major national packers, and only a few of the large regional organizations. The results represent, therefore, a cross section of the intentions and plans of the so-called independent meatpackers and sausage manufacturers from the Atlantic to the Pacific."

Then the National Provisioner adds this comment as a concluding paragraph:

"There appears to be little wrong with the vitality and the optimism of a group of enterprisers who can embark on a program like that outlined above."

It is true, of course, that some meatpackers have closed. In no industry that I can think of do all companies survive, and ours is no exception. But all the figures which I have quoted show conclusively that, while some firms may have fallen by the wayside, the number of packers is showing a steady and relatively large net increase.

Moreover, while some of the larger firms, as well as some of the smaller firms, have acquired other plants, it is clear from the figures already quoted, that, despite such acquisition, the 10 larger companies which have been referred to have not been able to hold the share of the market they held in the past in the case of cattle, calves, sheep and lambs, and barely have held their own in the case of hogs.

Then I would also like to present for your consideration a view expressed by a third party, the Chicago Producers Commission Association, which is a producer-owned cooperative commission company which is said to sell more livestock on the Chicago market than any other agency.

They had this comment from a bulletin of theirs, a recent bulletin of theirs, which is reproduced on page 10 of the attachment to my testimony, and it says this:

"Under our present system, we are witnessing the ability of small- and medium-sized packers with modern, efficient plants to compete with the larger packers, both regional and national. Meatpacking in the United States today is perhaps the only big industry in the country in which many small-

and medium-sized units are able not only to hold their own, but often to do better, relatively, from a profit standpoint, than most of their larger competitors."

These are the people who sell the producer's livestock to the packers. Dealing with numerous packers virtually every day, they are in a position to know conditions among the packers to whom they sell.

SENATOR DIRKSEN. Well, Mr. Hardenbergh, it certainly indicates that under the existing system there has been no force operating which is prejudicial to the growth of the meat industry and the formation of new companies, as evidenced by the number of new companies that have come into the field.

MR. HARDENBERGH. I think you are absolutely right, sir, and as an example, I would like to point out in the issue of July 7, 1956, of the National Provisioner, which is one of the trade publications in the meatpacking field, an interesting news article about a packing plant which was being enlarged.

The first part of this plant, said the article, was constructed in 1936 at an original cost of \$3,000. "Each year since," the article continued, "an addition has been built."

In other words, this plant has been enlarged every year for the past 20 years. Now, if that doesn't indicate opportunity to grow and expand, I just can't understand it. And this is not an isolated example, but is typical of many meatpacking companies throughout the United States today which have developed and are developing from similarly small beginnings.

Things like this could not happen if the conditions alleged by the Western States group existed, and the very fact that growth like this occurs is proof in itself of the absurdity of the claims.

In some States the number of meatpackers has had a phenomenal growth in recent years. In Texas, for example, the Bureau of the Census of the United States Department of Commerce reported 66 wholesale meatpacking establishments for the year 1939. This number had increased to 115 by 1947 and to 153 by 1954, a gain of 130 percent in 15 years. In the 9 Western States in which the Western States Meat Packers Association claims membership, the number of wholesale establishments has increased from 270 in 1939 to 333 in 1954, a gain of 24 percent. Those figures are detailed on page 6 of the attachments.

A compilation of meatpacking plants in southern California alone, made by the publication Western Meat Industry, of San Francisco, and appearing in its issue of November 1956, shows that there are now more than 50 federally inspected plants and more than 200 State-inspected plants in the southern California area alone. These figures do not include perhaps a dozen branch plants of some of the larger companies with headquarters outside of California.

And you will notice, if you will turn to page 7 of the attachment, according to the statement preceding the list, "only inspected plants are included. Approximately 100 additional firms who perform jobbing, wholesaling or allied

operations, but no processing, are excluded since their business does not require inspection."

* * * * *

The article which appeared in Western Meat Industry made some very strong statements, it seems to us, about some of the companies in southern California. I would like to go over them briefly. Here is what they said:

"Independent western packers in southern California give the national packers keen competition for business in this market. * * *

"Clougherty Packing Co., and its 'Farmer John' brand which has helped make this one of the top packers in that area.

"Coast Packing Co., and its tremendous success with '01 Smokey' brand merchandising campaign.

"Goldring Packing Co., which has become one of the largest, if not the biggest, sheep and lamb slaughterer in the country.

"Acme Meat Co., now ranker among the top beef boners of the Nation. * * *

"Several other independents * * * have developed rapidly into the largest meatpacking operations in southern California * * *."

Virtually every word and fact and figure in this article emphasize the healthy, growing, expanding condition of the meatpacking industry in southern California, and not a word is said or a hint dropped that small packers are being absorbed or eliminated at a rapid rate, as the Western States statement claims, and not only that, but the head of the Western States Association asserted recently that its members do 70 percent of the business in its area, which includes the 9 Western States—a statement wholly incompatible with his allegations of monopoly by national concerns. I have noted this 70 percent figure—but I submit to you, gentlemen, whether the true picture is 70 or 50, it still shows clearly a lack of monopoly power on the part of the larger packers, or any other group of packers.

* * * * *

Mr. BROWN. I think it may be of interest to counsel to know that the information with respect to all of the acquisitions made by Swift, Armour, Wilson, and Cudahy was furnished to the Department of Justice in or after 1948 in connection with allegations made by the Department that they constitute a combination to monopolize. After supplying all these files and voluminous matter on all of the acquisitions, the action which had been commenced by Justice was dropped.

Senator DIRKSEN. Well, Mr. Brown, just looking over these figures, you come to a conclusion when you see a total figure that if you break this down a little it would mean Rath acquired 1 plant in 25 years, Hormel acquired 1 every 6 years, Morrell got 1 every 4 years, Oscar Mayer got 1 every 4 years, Wilson got 1 in 3 years, Armour acquired the equiv-

alent of 1 in less than every 3 years, Hygrade at the rate of 3 per year, and Swift at the rate of 6 per year. Now I just know about Swift's operation by noting in the State of Illinois, for instance, what they do. They take over little plants where they buy eggs, and they do a little distributing there, and that sort of thing. Whether those are all included, I do not know, but that would just fatten up their distribution system, the way it would appear to me. So while the overall figure looks terribly impressive, when you break it down it is not so ghastly and frightening after all.

Mr. BROWN. I agree with you, Senator, and I think it is further significant that the internal growth of all of these companies has far exceeded the external growth by acquisition. In other words, the additions that they have made to their plant independently of acquisition has far and away exceeded any acquisition of new plants.

Mr. HARDENBERGH. I do not think it has been made sufficiently clear what has happened to make anyone think that the laws have not been enforced against the meatpacking industry; how and wherein the Department of Agriculture has failed, and what these alleged practices are that are bad and unfair.

Just what practices are being talked about?

A representative of the western group in his testimony before this committee, talked about so-called undue concentration of economic power in the industry. It does not seem to me that the figures I have quoted or the facts of the industry bear out his theory in the slightest. On the contrary, I think they prove his charges are not based on fact.

He also charged that some of the larger companies deliberately conduct their meat operations at a loss and make up the difference from profits obtained from their nonmeat operations.

It is difficult for me to believe that any company deliberately would operate in that way, especially when meat represents such a large percentage of the company's total business as it does in the case of meatpacking companies, and also when the typical margin of profit is so extremely narrow as it is in the meatpacking business.

Some of these companies have very large debts and a rather unsatisfactory dividend history, and to me it simply would not make sense for any business management, and especially one in such a situation, not to strive its hardest to operate every division of the business at a profit. Moreover, I cannot imagine a board of directors that would tolerate any other policy.

The Western States representative went on to say, in effect, that the larger companies use this alleged technique of selling meat at a loss to force smaller competitors out of business.

The absurdity of this charge has been demonstrated by the facts and figures already presented to show that the number of packers is growing, and has been growing steadily, and that the larger companies are doing a substantially

smaller percentage of the business than they did 5, 10, 20 or 30 years ago, and by the additional fact that many of their competitors are earning higher rates per dollar of sales and investment than the larger companies are.

In conclusion, I keep wondering what it is the Department of Agriculture has done, or failed to do, that the Western States group object to.

Is the objection that the Department failed to stop practices that have permitted the number of companies in the industry to increase steadily year by year?

Is the objection that the Department failed to stop practices that have resulted in the larger companies steadily losing volume?

Is it the objection that under the Department's jurisdiction many small packers have found it possible to achieve better rates of return than their larger competitors?

If not, what is it that the Department has done or hasn't done that's so bad for the business?

SUMMARY AND RECOMMENDATION

We are of the opinion that the hearings on this subject of unfair trade practices in the meatpacking industry demonstrate need for amendments to the Packers and Stockyards Act, but do not agree with the majority that this should be accomplished by the repeal of title II of the Packers and Stockyards Act and transferring jurisdiction from the Department of Agriculture to the Federal Trade Commission over those practices which the Department of Agriculture now has jurisdiction.

We reiterate, as we have stated in this report, that the best way to accomplish the objectives of those who seek remedial legislation is by amending title II of the Packers and Stockyards Act so as to redefine packers and live-poultry dealers as those principally so engaged in those activities and to provide that with respect to others not included in this modified definition the Department of Agriculture should retain jurisdiction only over their livestock and live-poultry transactions, and provide further, upon a determination of the Secretary of Agriculture, that it is in the public interest in any case that the Federal Trade Commission would be authorized to proceed against any person subject to the Packers and Stockyards Act exercising all the authority vested in the Secretary. This, we assert, would be accomplished by the Dirksen substitute to S. 1356 as reported. Under this substitute that we recommend, the Department of Agriculture would continue to have its necessary jurisdiction over the meatpacking industry and at the same time the Federal Trade Commission could exercise jurisdiction over the operations of companies which today may be unwarrantedly classified as packers under the Packers and Stockyards Act. We believe that this would assure appropriate regulation of all segments of the industry and would avoid the possibility of duplication and provide for necessary coordinated regulation.

Accordingly, we believe that the language of the Dirksen amendment, which we set out below, is the proper vehicle to accomplish the purposes expressed by most witnesses who testified during the public hearings.

The Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 et seq.), is amended as follows:

(1) By amending section 201 (7 U. S. C. 191) to read as follows:

“SEC. 201. When used in this Act—

“The term ‘packer’ means any person principally engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of buying livestock in commerce for purposes of slaughter and of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (d) of manufacturing or preparing livestock products for sale or shipment in commerce, but no person engaged in such business of manufacturing or preparing livestock products shall be considered a packer unless also engaged in any business referred to in clause (a) or (b) above.”;

(2) By striking the words “It shall be unlawful for any packer or any live poultry dealer or handler to:” at the beginning of section 202 (7 U. S. C. 192) and inserting in lieu thereof “It shall be unlawful for any packer or live poultry dealer with respect to any activity, or any other person with respect to buying livestock or live poultry for purposes of slaughter, to:” and by striking the word “packer” wherever it appears in sections 203, 204, and 205 and inserting in lieu thereof the word “person”;

(3) By inserting after the word “person” in the second sentence of section 503 (7 U. S. C. 218b) the word “principally”; and

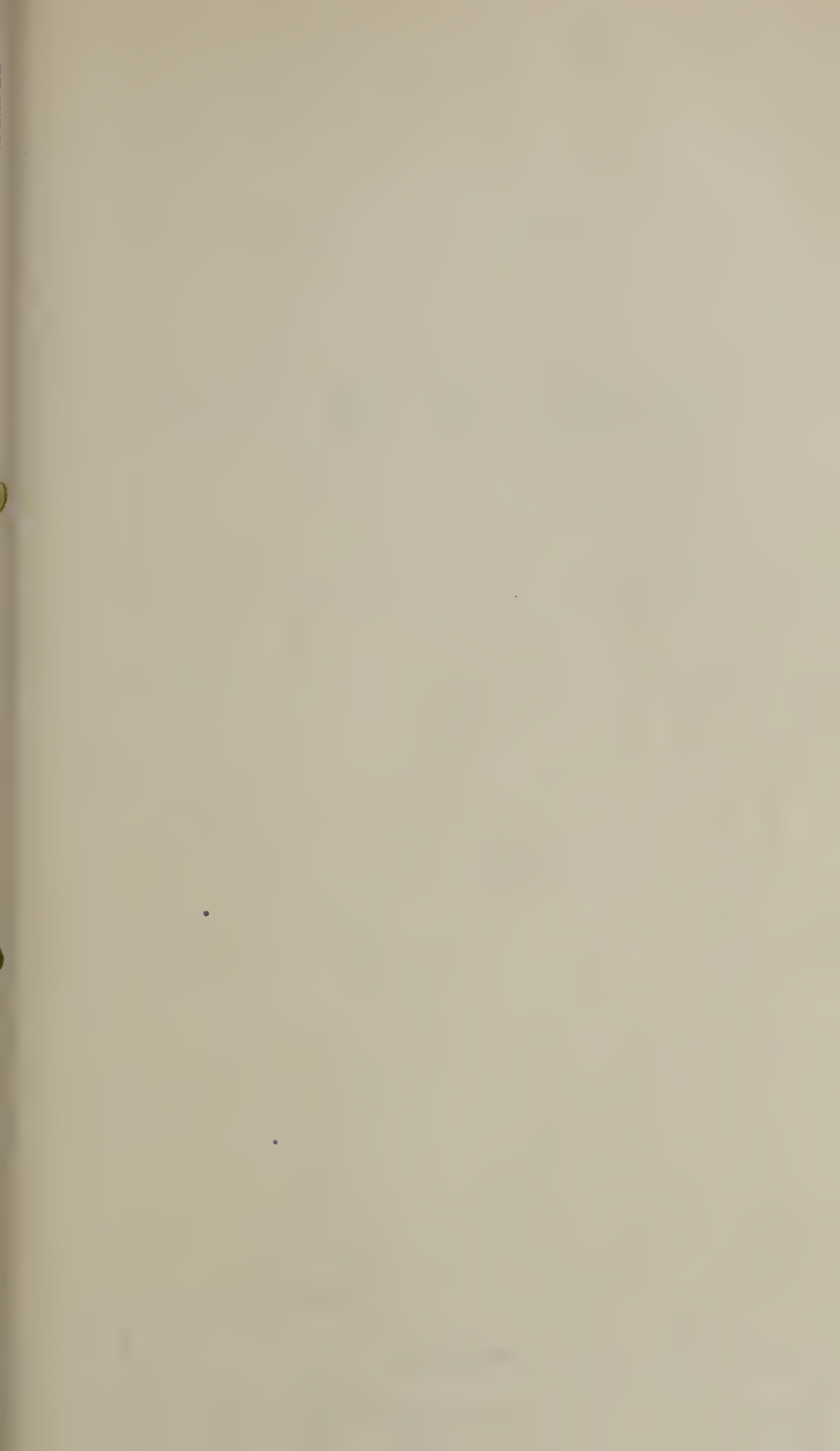
(4) By striking the period at the end of subsection (b) of section 406 (7 U. S. C. 227) and inserting in lieu thereof “, or in any case where the Secretary determines it to be in the public interest for the Federal Trade Commission to institute a proceeding under which circumstances it shall have authority to exercise in connection therewith all the powers, functions, and authority of the Secretary under this Act.”

EVERETT MCKINLEY DIRKSEN.

JOHN MARSHALL BUTLER.

WILLIAM E. JENNER.





85TH CONGRESS
1ST SESSION

H. R. 9020

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Packers and Stockyards Act, 1921, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Packers and Stockyards Act, 1921, as amended (42
4 Stat. 159, as amended; 7 U. S. C. 181 and the following), is
5 amended as follows:

6 (1) By amending section 202 by inserting after
7 the word "unlawful" the words "with respect to live-
8 stock, meats, meat food products, livestock products in
9 unmanufactured form, poultry, or poultry products".

10 (2) By amending section 406 by inserting after
11 the word "except" where it first appears in subsection

1 (b) the words “with respect to margarine or oleomarga-
2 rine and retail sales of any commodity, and except”.

3 (3) By further amending section 406 by inserting
4 a comma in lieu of the period at the end of subsection
5 (b) and adding the following: “or in any case where
6 the Secretary determines it to be in the public interest
7 for the Federal Trade Commission to institute a pro-
8 ceeding under this Act, in which case the Commission
9 shall have authority to exercise in connection therewith
10 all the powers, functions, and authority of the Secretary
11 under this Act, and the Secretary’s determination in
12 such instance shall be final.”

13 SEC. 2. Said Act is further amended—

14 (1) by striking out the words “at a stockyard” from
15 sections 301 (c) and 301 (d) ;

16 (2) by striking out the last sentence of section 302
17 (a) ;

18 (3) by inserting after the first sentence in section
19 303 the following sentence: “Every other person operat-
20 ing as a market agency or dealer as defined in section
21 301 of the Act may be required to register in such
22 manner as the Secretary may prescribe.” ;

23 (4) by amending section 311 by striking out the
24 words “stockyard owner or market agency” wherever
25 they occur and inserting “stockyard owner, market

1 agency, or dealer” and by striking out “stockyard
2 owners or market agencies” and inserting “stockyard
3 owners, market agencies, or dealers”;

4 (5) by striking out the words “at a stockyard”
5 from section 312 (a).

6 SEC. 3. Subsection 6 of section 5 (a) of the Federal
7 Trade Commission Act (15 U. S. C. 45 (a) (6)) is
8 amended by striking out “persons, partnerships or corpora-
9 tions subject to the Packers and Stockyards Act, 1921, ex-
10 cept as provided in section 406 (b) of said Act”, and sub-
11 stituting therefor the following: “matters made subject to the
12 Packers and Stockyards Act, 1921, as amended, except as
13 provided in section 406 (b) of said Act”.

85TH CONGRESS
1ST SESSION

H. R. 9020

A BILL

To amend the Packers and Stockyards Act, 1921, as amended, and for other purposes.

By Mr. COOLEY

AUGUST 1, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 9021

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1957

Mr. HILL introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Packers and Stockyards Act, 1921, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Packers and Stockyards Act, 1921, as amended
4 (42 Stat. 159, as amended; 7 U. S. C. 181 and the follow-
5 ing), is amended as follows:

6 (1) By amending section 202 by inserting after the
7 word "unlawful" the words "with respect to livestock, meats,
8 meat food products, livestock products in unmanufactured
9 form, poultry, or poultry products".

10 (2) By amending section 406 by inserting after the
11 word "except" where it first appears in subsection (b) the

1 words "with respect to margarine or oleomargarine and
2 retail sales of any commodity, and except".

3 (3) By further amending section 406 by inserting a
4 comma in lieu of the period at the end of subsection (b)
5 and adding the following: "or in any case where the Secre-
6 tary determines it to be in the public interest for the Federal
7 Trade Commission to institute a proceeding under this Act
8 in which case the Commission shall have authority to exer-
9 cise in connection therewith all the powers, functions, and
10 authority of the Secretary under this Act, and the Secretary's
11 determination in such instance shall be final."

12 SEC. 2. Said Act is further amended—

13 (1) By striking out the words "at a stockyard" from
14 section 301 (c) and (d).

15 (2) By striking out the last sentence of section 302
16 (a).

17 (3) By inserting after the first sentence in section 303
18 the following sentence: "Every other person operating as
19 a market agency or dealer as defined in section 301 of the
20 Act may be required to register in such manner as the Secre-
21 tary may prescribe."

22 (4) By amending section 311 by striking out the
23 words "stockyard owner or market agency" wherever they
24 occur and inserting "stockyard owner, market agency, or
25 dealer" and by striking out "stockyard owners or market

1 agencies” and inserting “stockyard owners, market agencies,
2 or dealers”.

3 (5) By striking out the words “at a stockyard” from
4 section 312 (a).

5 SEC. 3. Subsection 6 of section 5 (a) of the Federal
6 Trade Commission Act (15 U. S. C. 45 (a) (6)) is
7 amended by striking out “persons, partnerships or corpor-
8 ations subject to the Packers and Stockyards Act, 1921, ex-
9 cept as provided in section 406 (b) of said Act,” and sub-
10 stituting therefor the following: “matters made subject to the
11 Packers and Stockyards Act, 1921, as amended, except as
12 provided in section 406 (b) of said Act.”

85TH CONGRESS
1ST SESSION

H. R. 9021

A BILL

To amend the Packers and Stockyards Act, 1921, as amended, and for other purposes.

By Mr. Hull

AUGUST 1, 1957

Referred to the Committee on Agriculture

HOUSE

Aug. 2, 1917

H.R. 376, to include onions in the prohibition against dealings in commodity futures under the Commodity Exchange Act; and

H.R. 9020, with amendment, to transfer certain work under the Packers and Stockyards Act to the Federal Trade Commission. This bill transfers from the Secretary of Agriculture to the Federal Trade Commission jurisdiction over all activities of packers except those directly related to the processing and distribution of livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products or eggs. It places under the Federal Trade Commission jurisdiction over all retail sales, including those commodities listed above. It places under the jurisdiction of the Secretary of Agriculture regulations of all country buying of livestock, including that which is not now subject to such regulation because it takes place off of a major stockyard.

14. FOREIGN TRADE. The Ways and Means Committee reported without amendment H.R. 38, to amend the Tariff Act of 1930 so as to provide for the temporary free importation of casein (H. Rept. 974); and H.R. 7096, with amendment, to exempt istle and Tampico fiber from the Tariff Act of 1930 (H. Rept. 976). p. 12292

15. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment H.R. 8825, to revise the definition of contract carrier by motor vehicle as set forth in Sec. 203 (a) (15) of the Interstate Commerce Act (H. Rept. 970). p. 12292

16. PERSONNEL. Received from the Budget Bureau a proposed bill to provide a uniform premium-pay system for Federal employees engaged in inspectional services and to authorize a uniform system of fees and charges for such services; to Post Office and Civil Service Committee. p. 12292

Received from CSC a proposed bill to amend the Classification Act of 1949 so as to facilitate proper classification of positions in grades GS-16, GS-17, and GS-18; to Post Office and Civil Service Committee. p. 12292

17. FARM LABOR. Rep. Teague inserted a resolution adopted by the Agriculture Committee favoring the exemption of farm workers engaged in the packing of fruits and vegetables in the field or orchard from the provisions of Secs. 6 and 7 of the Fair Labor Standards Act. p. 12283

18. SMALL BUSINESS. Passed without amendment S. 2504, to extend the Small Business Administration for one year (p. 12266). This bill will now be sent to the President.

19. FORESTRY. Agreed to, and sent to the Senate, the conference report on S. 469, to authorize the U.S. to defray the cost of existing the Klamath Indians to prepare for termination of Federal supervision and to defer sales of tribal property, including timberlands. p. 12251

20. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., Aug. 5, the consent calendar; Tues., the private calendar; and later in the week, H.R. 7244, to provide for a self-help meat promotion program, and the pay raise bill if a rule is granted. p. 12268

21. ADJOURNED until Mon., Aug. 5. p. 12292

ITEMS IN APPENDIX

22. ELECTRIFICATION. Sen. Yarborough inserted a Young Democratic Club of Dallas County (Tex.) resolution and stated "it condemns the effort to take the Hells Canyon site out of the realm of public domain..." pp. A6277-8

Rep. Ullman inserted an editorial, "Ike Appoints a Fox to Guard the Chickens," discussing the appointment of Douglas McKay as Chairman of the U.S. section of the International Joint Commission. p. A6289

Rep. Anderson inserted a constituent's letter asking "isn't there anything you can do legally to keep that Hells Canyon Dam project open for further discussion in Congress?" p. A6297

23. FOREIGN TRADE. Rep. King stated that the need for expanding world trade is clearly evident and inserted the testimony of the American Tunaboot Ass'n before the House Ways and Means Committee regard proposed Antidumping Act amendments. pp. A6286-8

24. ATOMIC ENERGY. Rep. Price inserted statements of Reps. Durham and Holifield giving background information on the atomic energy authorization bill. pp. A6279-80

25. FARM PROGRAM. Extension of remarks of Rep. Cooley stating that "the Wall Street Journal in a front-page article this morning says flatly that strategists of the Eisenhower administration aim to exploit disunity among farmers in Secretary Benson's maneuvers to lower price supports for farm commodities," and that "Cliff Hope encourages cooperation and unity among farmers," and inserted the magazine article and an article by Mr. Hope. pp. A6284-5

Rep. McGovern criticized the administration's farm program. p. A6288

26. SOIL BANK. Rep. Udall inserted an article describing how another Arizona farmer received a \$204,000 soil bank payment. pp. A6288-9

27. BUDGETING. Rep. Reuss inserted two memorandums prepared by the Citizens Committee for the Hoover Report in support of H.R. 8002, to provide for the stating of appropriation estimates on an accrued expenditure basis. pp. A6293-5, A6299-300

Rep. Boland inserted several editorials favoring H.R. 8002.

28. GRANTS-IN-AID. Rep. Dwyer spoke in favor of the hearings being held to study the relationship between the Federal Government and State and local governments and inserted an analysis of the grant-in-aid programs in N.J.. pp. A6301-2

BILLS INTRODUCED

29. PERSONNEL. S. 2684, by Sen. Johnston, S.C., to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment; to Judiciary Committee.

30. FAMILY FARM. S. Res. 175, by Sen. Monroney, to authorize a study and investigation of operation and preservation of family-size farms; to Agriculture and Forestry Committee.

31. BUILDINGS. H.R. 9066-9099, by various Reps., to prohibit Government agencies to acquire or use the National Grange headquarters site without specific congressional approval; to Public Works Committee. Remarks of Rep. Westland, p. A6282. Remarks of Rep. Scudder. p. A6296.

H.R. 9052, by Rep. Dawson, Ill., to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 15 years; to Government Operations Committee.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 12, 1957
For actions of August 9 & 10, 1957
85th-1st, Nos. 143 & 144

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HIGHLIGHTS: House committee reported bill to transfer certain work under Packers and Stockyards Act to FTC. Sens. Thurmond and Aiken commended rural development program. Sen. Humphrey criticized Secretary for not appearing before Senate committee studying alleged transfer of REA loan functions. House passed classified employee pay raise bill. House received conference report on public works appropriation bill.

HOUSE - August 9

- 1. MONOPOLIES; MEAT PACKERS.** The Agriculture Committee reported without amendment H.R. 9020, to transfer certain work under the Packers and Stockyards Act to the Federal Trade Commission (H. Rept. 1048). p. 13024
- 2. PERSONNEL.** Passed, 329 to 58, as reported, H.R. 2462, to increase the basic rates of compensation for Federal classified employees. pp. 12995-13018
Rejected the following amendments:
By Rep. Cederberg, 71 to 110, to provide for a pay raise of 7½ percent instead of 11 percent. pp. 13011-15
By Rep. Murray, 114 to 126, to strike out the provisions providing pay raises for legislative and judicial employees. pp. 13015-16
- 3. APPROPRIATIONS.** Received the conference report on H.R. 8090, the public works appropriation bill for the Departments of the Army and Interior (H. Rept. 1049). pp. 12991-95
- 4. CENSUS.** The Post Office and Civil Service Committee reported with amendment H.R. 7911, to amend various sections of the U.S. Code entitled "Census" (H. Rept. 1043). p. 13024

5. VOCATIONAL REHABILITATION. The Education and Labor Committee reported with amendment H.R. 8429, to extend the time in which grants may be made to the States for vocational rehabilitation program expansion (H. Rept. 1045). p. 13024
6. EGG PRICES. Rep. Knutson urged an increase in the price of eggs. pp. 13021-22
7. INTEREST RATES. Rep. Multer criticized recent increases in interest rates. pp. 12996-97
8. WATER POLLUTION. The Public Works Committee reported with amendment H.R. 6701, to grant the consent of Congress to the Tenn. River Basin water pollution control compact (H. Rept. 1044). p. 13024
9. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program for the coming week: the conference report on S. 2130, the mutual security authorization bill; the conference report on H.R. 8090, the public works appropriation bill; H.R. 469, the textile fiber products labeling bill; and S. 1383, the freight forwarders bill. p. 13018
10. ADJOURNED until Tues., Aug. 13. p. 13023

SENATE - August 9

11. RURAL DEVELOPMENT. Sens. Thurmond and Aiken commended the operation of the Rural development program, and Sen. Thurmond inserted a magazine article: "Rural Development--One Farm Program That Works." pp. 12952-3
12. ELECTRIFICATION. Sen. Humphrey criticized the Secretary for not appearing before the Government Operations Committee hearing on the alleged transfer of certain REA loan allocating authority from REA to the Office of the Secretary. Sens. Carroll and Mansfield concurred. pp. 12953-4
Passed with amendments, by a vote of 61 to 20, S. 1869, to permit the TVA to finance its power program with proceeds from revenue bonds (pp. 12900-50). Adopted a modified amendment of Sen. Cotton to require that future TVA contracts for the sale of power would contain an agreement to restrict the sale of power within certain boundaries to communities now receiving TVA power (pp. 12933-5).
13. RECLAMATION. A Subcommittee ordered reported to the Interior and Insular Affairs Committee the following bills:
S. 145 and S. 2089, with amendment, authorizing construction of a re-regulating reservoir at Burns Creek, Idaho;
S. 2037, without amendment, authorizing performance of protection work between Yuma Project and Boulder Dam. p. D759

Passed with amendments S. 2120, authorizing construction of the Mercedes Division of the Lower Rio Grande rehabilitation project. pp. 12960-1
14. WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendments S. 1086, granting Congressional consent to a Bear River compact (S. Rept. 843). p. 12885
Agreed to print as S. Doc. 58 a review of the report on the Rio Grande and tributaries at Socorro, N. Mex.. p. 12886

85TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

REPORT
No. 1048



AMENDMENT OF PACKERS AND STOCKYARDS ACT

AUGUST 9, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 9020]

The Committee on Agriculture to whom was referred the bill (H. R. 9020) to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PRINCIPAL PROVISIONS OF THE ACT

The Packers and Stockyards Act was enacted by Congress in 1921. The primary purpose of this Act is to assure fair competition and fair trade practices in livestock marketing and in the meatpacking industry. The objective is to safeguard farmers and ranchers against receiving less than the true market value of their livestock and to protect consumers against unfair business practices in the marketing of meats, poultry, etc. Protection is also provided to members of the livestock marketing and meat industries from unfair, deceptive, unjustly discriminatory, and monopolistic practices of competitors, large or small.

Three general areas of regulation are encompassed by the act. The regulation of packers is provided for in title II. Title III provides for the regulation of stockyards posted under the act (operating in interstate commerce and having an area of 20,000 square feet or more) and of market agencies and dealers operating at such stockyards. Title V provides for the regulation of live poultry dealers and handlers at cities or places that may be designated under the act. The other titles of the act, title I and title IV, cover definitions and general provisions.

The act provides that meatpackers subject to its provisions shall not engage in practices that restrain commerce or create a monopoly.

They are prohibited from buying or selling any article for the purpose of or with the effect of manipulating or controlling prices in commerce. They are also prohibited from engaging in any unfair, deceptive, or unjustly discriminatory practice or device in the conduct of their business, or conspiring, combining, agreeing, or arranging with other persons to do any of these acts.

Commission men, dealers, and stockyard operators at markets posted under the act are prohibited by its provisions from engaging in any unfair, deceptive, or unjustly discriminatory practice or device in the conduct of their business. The Secretary of Agriculture is authorized to require such commission men and dealers to furnish reasonable bonds to assure payment for livestock bought or sold at a stockyard.

Stockyard owners and market agencies are required to furnish reasonable stockyard services without discrimination and to charge reasonable and nondiscriminatory rates. Stockyard owners and market agencies are also required by the act to file with the Secretary schedules of their rates and charges and of any changes that may be made in them. These rates and charges are subject to review by the Secretary and if found to be unreasonable the Secretary may fix ones that are reasonable.

Meatpackers, commission men, dealers, and stockyard operators are required by the act to keep such books and records as fully and correctly disclose all their transactions. Such books and records are required to be made available to authorized representatives of the Secretary for such examination and copying as may be deemed necessary. Provisions made in the act for filing such reports as the Secretary may require and for the issuance of subpoenas to compel production of such books and records and for the giving of testimony by witnesses.

Under the act, commission men and dealers found to be violating its provisions may be suspended from doing business. Among the various enforcement provisions, the act also provides for the issuance, after formal hearings, of cease and desist orders against meatpackers and all other persons subject to it.

BACKGROUND

At the time the Packers and Stockyards Act became law and for many years thereafter, its provisions were apparently well suited to adequate regulation of the meatpacking industry. During that period, there were relatively few livestock auction markets engaged in interstate commerce; companies and individuals engaged in the meatpacking business were generally not engaged in any other business; and retailing of meat and meat products was carried out largely through small independent meat markets and grocery stores.

In recent years, particularly since the end of World War II, technological and economic evolution have brought about changes in the meatpacking industry and in the environment in which it operates creating conditions that this 1921 law was not designed to meet. For some time, it has been obvious that the Packers and Stockyards Act required a major overhauling and modernization to meet these changing conditions in the industry.

PROBLEM AREAS

In general, three major problem areas have developed as the result of the technological and economic changes that have taken place in recent years.

Livestock markets

When this act was passed in 1921, there were relatively few livestock markets and these were located primarily in large terminals. Most of the interstate movement of livestock was by railroad. In the early years of operation under the act all of the eligible markets were posted and the record shows that until 1930 these averaged less than 80 for the entire United States.

As transportation facilities—particularly roads and trucks—improved, railroads ceased to be an important limiting factor on livestock movement and the character of livestock marketing began to change. More auction markets developed: In 1930 there were 73 posted stockyards; by March 18, 1957, this number had increased to 439 and the Department of Agriculture estimates that there are at least an additional 500 stockyards still unposted which are eligible for posting (engaged in interstate commerce and with an area of 20,000 square feet or more).

More important, there have developed throughout the country an additional 1,400 or 1,500 country auctions and livestock markets which are engaged in interstate commerce but which are not under the jurisdiction of the Packers and Stockyards Act because of the size limitations in the act. Although these markets are technically under the jurisdiction of the Federal Trade Commission, there has been no effort by the FTC to regulate trade practices on these markets.

Equally significant is the growth which has taken place in country buying—buying by packers or by livestock dealers direct from the producer, without the animals going through a public stockyard or market. There was little or no such buying at the time the Packers and Stockyards Act became law but it is today a common practice in almost every part of the country and more than 40 percent of all livestock sold moves in this manner. The Department of Agriculture has no jurisdiction over this country buying except that which is done by buyers for packers.

Manufacturing diversification

The tendency of many manufacturers to diversify their operations into the production of different types of products has been reflected also in the meatpacking industry in the 36 years since the Packers and Stockyards Act became law. In conformity with this general business trend, a number of meatpackers have expanded their processing or manufacturing and distribution activities to products which may be allied to but certainly are not a direct part of the business of slaughtering livestock and marketing the products therefrom. These extraneous activities include items such as eggs, butter, and other dairy products, oleomargarine, soaps, dog foods, cleansers, fertilizers, chemicals, and sporting goods. Under the provisions of the act, the merchandizing and other practices followed in connection with these products are also subject to the scrutiny of the Secretary of Agriculture and, because they are carried out by meatpackers, are not subject to the scrutiny of the Federal Trade Commission.

Retail merchandising

Under the provisions of the act, any person or firm engaged in the business of marketing, even at the retail level, any meats, meat food products, etc., in interstate commerce was classified as a packer and made subject to the provisions of the Act if that person or firm also owned as much as 20 percent of the interest in a meatpacking or processing plant. At the time the act became law, this provision made sense, for, as has previously been pointed out, most of the retail merchandising of meat and meat food products was through small independent meat markets or grocery stores, and this provision was placed in the act so that none of the activities of meatpackers, even at the retail level, might escape the scrutiny of the Secretary of Agriculture.

Since that time, the independent meat market or "butcher shop" has virtually disappeared from the American scene. Meat is now commonly marketed at retail either in a general neighborhood grocery store or in a self-service supermarket along with canned goods, fresh vegetables, bakery goods, drugs, notions, kitchen utensils, and sundry other products. Many of these stores are operated by chains engaged in interstate commerce. Some of these chains also have meatpacking and meat processing operations. As a result, there are 14 chain stores presently classified as packers and filing reports under the act with the Secretary of Agriculture.

CHANGES MADE BY THIS BILL

From the foregoing it is obvious that the area in which the Packers and Stockyards Act is designed to operate has changed so substantially since 1921 that the Secretary of Agriculture is today charged by the act with responsibility over businesses and operations which could never have been intended by the framers of the legislation and is, on the other hand, powerless to take any action in some matters which have become an important and vital part of the livestock and meat packing industry. The bill reported herewith is a committee bill, drafted by the committee following extensive hearings on this matter. It is designed to amend the Packers and Stockyards Act so as to make it once again an effective instrumentality for the regulation of the livestock and meatpacking industry and for the protection of both producers and consumers. Specific changes are made in the act to meet the problems outlined above. These changes are:

(1) There is a clear delineation between the Secretary of Agriculture and the Federal Trade Commission with respect to their jurisdiction over meatpackers with separate areas of responsibility designated.

(2) The Secretary of Agriculture will have jurisdiction over and responsibility for those activities of packers relating to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products.

(3) All other activities of packers will be under the jurisdiction and responsibility of the Federal Trade Commission.

(4) Chain stores and other firms or persons engaged only incidentally in the meat packing or processing business will be subject to the trade practice provisions of the Packers and Stockyards Act only to the extent that they are engaged in meatpacking or some other operation falling within the specific responsibility of the Secretary of Agriculture under the act.

(5) The Secretary of Agriculture is given jurisdiction over all livestock marketing involved in interstate commerce including country buying of livestock and auction markets, regardless of size.

(6) The Secretary is authorized to delegate to the FTC authority over specific packer activities when he determines such action to be in the public interest.

HEARINGS

Hearings were held on two sharply divergent bills—H. R. 7743 and H. R. 8536. The former would have attacked only one of the problem areas discussed above—classifying chain stores and other businesses as “packers.” The latter bill would have transferred to the Federal Trade Commission all of the jurisdiction now exercised by the Secretary of Agriculture over the meatpacking industry except that presently exercised by him in connection with posted stockyards.

Testimony at the hearings, which were conducted by the full committee, was as sharply divergent as the two bills under consideration. Those advocating the enactment of H. R. 8536 appeared to be convinced that most of the problems which might beset producers, consumers, or the meatpacking industry would be solved by complete transfer of jurisdiction over meatpackers from the Secretary of Agriculture to the Federal Trade Commission. Those who appeared in support of H. R. 7743, on the other hand, stoutly denied the existence of any major regulatory problems and maintained that mere clarification of jurisdiction with respect to chain stores and others similarly situated was all that the situation required.

Throughout the hearings the assumption was repeatedly made by advocates of H. R. 8536 that enforcement of fair trade practices by the Secretary of Agriculture under the Packers and Stockyards Act is so inferior to enforcement of fair trade practices by the Federal Trade Commission under its act that those who are under the jurisdiction of the Packers and Stockyards Act are somehow “escaping” effective scrutiny by a Federal agency over their trade practices. Although virtually every witness who indulged in this generalized assumption was requested by the committee to substantiate it with specific evidence, no such evidence was forthcoming and the committee is forced to the conclusion that there is no substantial evidence to indicate that there would be a higher degree of enforcement of fair trade practices under one agency than under the other.

Another assumption repeatedly indulged in by proponents of H. R. 8536—in spite of the fact that a correct statement of the situation was made by the General Counsel of the Federal Trade Commission early in the hearing—was that those persons and firms which are subject to the provisions of the Packers and Stockyards Act are thereby somehow exempt from application of the antitrust laws. This is not the case. The antitrust laws are embodied in the Sherman Act, the Clayton Act, and the Robinson-Patman Act (which is an amendment to the Clayton Act). These acts are administered by the Department of Justice with respect to both civil and criminal procedures and there is nothing in the Packers and Stockyards Act which gives those under its jurisdiction any immunity from actions under the antitrust laws. On the contrary, section 405 of the act specifically provides that “nothing contained in this act, except as otherwise provided herein, shall be construed to prevent or interfere with the enforcement of or

the procedure under the provisions of" the Sherman Antitrust Act and the Clayton Act or to "alter, modify, or repeal such acts, or any part or parts thereof."

It appeared to the committee that most of the problems in connection with the Packers and Stockyards Act arise very simply from the fact that we are undertaking to apply to 1957 commercial and business conditions a law which was designed to be applied to the conditions prevailing in 1921. Accordingly, following the hearings on the two bills above referred to, the chairman referred the matter to the Livestock and Feed Grains Subcommittee with instructions to draft a committee bill. After the most thorough consideration of all the evidence and opinion available, including a daylong session with attorneys of the Department of Agriculture and Federal Trade Commission, the subcommittee reported back with the draft of a bill (substantially the same as the bill reported herewith) on which hearings were then held by the full committee.

At this hearing testimony was received from virtually all of the groups which had participated in the earlier hearings. The position of most witnesses, including spokesmen for the Department of Agriculture and the Federal Trade Commission, was that of qualified approval of the bill. Only one organization—the National Grocery Manufacturers Association—expressed unqualified opposition.

ANALYSIS OF THE BILL

Jurisdiction over packers

Under the present provisions of the Packers and Stockyards Act jurisdiction is predicated entirely upon the "person." The term "packer" is defined in section 201 of the act and any person or firm who falls within this definition is under the jurisdiction of the act and, therefore, of the Secretary of Agriculture with respect to all his activities, in interstate commerce whether or not they are directly related to the slaughter, processing, and marketing of livestock. While retaining the existing definition of a packer, the bill amends the act so that jurisdiction is predicated not upon the mere fact that a person or firm may fall within the definition of a packer but upon the type of activity carried on by such person. The bill limits the jurisdiction of the act and, therefore, of the Secretary of Agriculture to those commodities specifically listed in paragraph (1): "livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products." Activities of packers with respect to all other products will fall under the jurisdiction of the Federal Trade Commission.

This basic change in the jurisdiction of the act is reflected in section 3 where a change is made in the Federal Trade Commission Act to change the reference there from "persons, partnerships, or corporations subject to the Packers and Stockyards Act" to "matters made subject to the Packers and Stockyards Act".

Paragraph (2) of section 1 provides that the Secretary of Agriculture and the Federal Trade Commission shall both have jurisdiction over trade practices at the retail sales level. "Retail sales" mean sales by a retailer to an individual consumer—not bulk sales to institutions and bulk users of products such as are normally made by wholesale dealers. This paragraph also clarifies the basic jurisdiction intended by the

committee by providing specifically that all matters with respect to margarine and oleomargarine are to be under the jurisdiction of the Federal Trade Commission.

Paragraph (3) of section 1 provides that the Secretary of Agriculture may transfer jurisdiction under the act to the Federal Trade Commission in any case where he determines it to be in the public interest. It is contemplated by the committee that the Secretary will exercise this discretion in cases which might arise where FTC is making an industrywide investigation of some commodity only a small part of which might be produced by packers, in connection with specific commodity determinations under the designations in paragraph (1), or instances where the subject matter is not of direct or substantial importance in the marketing of livestock or its products.

Definitions

The terms "meat food products" and "livestock products" are defined in the act. Meat food products are edible products and by-products of the slaughtering and meatpacking industry, while livestock products are the inedible products and byproducts of such industry.

With respect to livestock products, the division of jurisdiction between the Secretary and the Commission on the basis of manufactured or nonmanufactured state, as provided by the bill, appears to constitute a logical division of jurisdiction. In general, the criterion of manufacture laid down by the Supreme Court in the case of *East Texas Motor Freight Lines, et al. v. Frozen Food Express, Secretary of Agriculture, et al.* would seem to be a substantial guide, so that there should be no difficulty when the Secretary and the Commission actually consider specific livestock products in reaching a determination with respect to each product. It is quite clear for example that a rawhide is an unmanufactured livestock product and, in the opinion of the committee, it remains a unmanufactured livestock product no matter what kind of processing the hide may be subjected to until it is used in the manufacture of some other product. It is equally clear that a hide which has been used in the manufacture of a baseball glove or a pair of shoes is no longer an unmanufactured livestock product.

With respect to "meat food products," a further defining is extremely difficult because of the vast variety of forms in which meat is merchandised and the wide variance in the quantitative use of meat in edible products produced by the slaughtering and meatpacking industry. This term is used in the Meat Inspection Act, which was enacted in 1907, without further defining; therefore, it has a long-established and understood meaning in the industry. Provision is made in the bill whereby the Secretary may determine it to be in the public interest for the Federal Trade Commission to institute a proceeding with respect to any matter made subject to the jurisdiction of the Secretary under the act under which circumstance the Commission may proceed, exercising all the powers, functions, and authority of the Secretary under the act. It is contemplated by the committee that, with respect to meat food products, the Secretary will make such determination where he finds that the marketing of any meat food product is not directly related to, or has not a substantial effect upon, the marketing of livestock or meat in interstate commerce. The meat food products which would fall in this category would be largely those in which meat did not constitute a substantial or definite part of the product.

Livestock marketing

Section 2 of the bill amends the act so as to bring under its jurisdiction all livestock marketing activities which are a part of interstate commerce. In this connection it should be noted that none the provisions of the act apply to a farmer or rancher who, in the ordinary course of such business, sells his own livestock or purchases livestock for his own farming or ranching operations.

At the present time, the provisions of the act limit its jurisdiction to transactions taking place at a "stockyard" as defined in the act. The effect of section 2 is principally that of striking out the words "at a stockyard" where they appear in the relevant provisions of the act so that the jurisdiction of the Secretary will not be hereafter limited to transactions taking place at a stockyard. It also changes the definition of "stockyard" so as to make the same rules applicable to all interstate stockyards regardless of size.

Paragraph (3) of section 2 will permit the Secretary to require persons operating as dealers and market agencies at places other than stockyards to register in substantially the same manner as is now required of such persons operating on posted stockyards. This registration does not involve licensing in its ordinary sense. It merely provides a means of identifying the persons who are engaging in the business of a market agency or a dealer, the nature of their business, and the place or places where they operate.

DEPARTMENTAL POSITION

Following is the report from the Department of Agriculture stating it has no objection to enactment of this bill:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., August 8, 1957.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: Reference is made to Mr. Heimbarger's telephone request of August 6, 1957, for a report on H. R. 9020, a proposed amendment to the Packers and Stockyards Act, to clarify jurisdiction over the meatpacking and livestock industries.

This bill would shift jurisdiction from the Secretary of Agriculture to the Federal Trade Commission over the trade practices of the meatpacking industry other than in livestock, poultry, meats, meat-food products, poultry products, or livestock products in unmanufactured form. It would also give the Federal Trade Commission jurisdiction over eggs and dairy products and concurrent jurisdiction with the Secretary over margarine and the retail sales of meatpackers. It would extend the jurisdiction of the Secretary to cover the practices of market agencies, dealers, and stockyards engaged in interstate commerce, but not now subject to the Packers and Stockyards Act.

This Department has no objection to enactment of this bill. The bill strengthens jurisdiction and authority of the Secretary in the field of livestock marketing, highly desirable at this time due to the marketing trend away from established public markets. At the same time we believe the bill preserves sufficient authority over the meatpacking industry in the Secretary so as not to affect adversely the

Department's ability to assure producers of effective competition and the true value of their livestock and poultry.

It is believed that this amendment which gives the Secretary jurisdiction over the entire livestock marketing field in interstate commerce through inclusion of stockyards of less than 20,000 square feet in size operating in interstate commerce, and agencies and dealers operating in commerce at points away from posted stockyards will cost, if effective enforcement is to be attained, approximately \$300,000 to \$425,000 in addition to funds necessary to enforce the present act.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in roman):

PACKERS AND STOCKYARDS ACT, 1921

* * * * *

SEC. 202. It shall be unlawfull *with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products* for any packer or any live poultry dealer or handler to—

(a) Engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in commerce; or

(b) Make or give, in commerce, any undue or unreasonable preference or advantage to any particular person or locality in any respect whatsoever, or subject, in commerce, any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever; or

(c) Sell or otherwise transfer to or for any other packer, or buy or otherwise receive from or for any other packer, any article for the purpose or with the effect of apportioning the supply in commerce between any such packers, if such apportionment has the tendency or effect of restraining commerce or of creating a monopoly in commerce; or

(d) Sell or otherwise transfer to or for any other person, or buy or otherwise receive from or for any other person, any article for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in any article in commerce, or of restraining commerce; or

(e) Engage in any course of business or do any act for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in any article in commerce, or of restraining commerce; or

(f) Conspire, combine, agree, or arrange with any other persons
 (1) to apportion territory for carrying on business in commerce, or
 (2) to apportion purchases or sales of any article in commerce, or
 (3) to manipulate or control prices in commerce; or

(g) Conspire, combine, agree, or arrange with any other person to do, or aid or abet the doing of, any act made unlawful *with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products* by subdivision (a), (b), (c), (d), or (e).

* * * * *

TITLE III—STOCKYARDS

Sec. 301. When used in this Act—

(a) The term “stockyard owner” means any person engaged in the business of conducting or operating a stockyard;

(b) The term “stockyard services” means services or facilities furnished at a stockyard in connection with the receiving, buying, or selling on a commission basis or otherwise, marketing, feeding, watering, holding, delivery, shipment, weighing, or handling, in commerce, of livestock;

(c) The term “market agency” means any person engaged in the business of (1) buying or selling in commerce livestock [at a stockyard] on a commission basis or (2) furnishing stockyard services; and

(d) The term “dealer” means any person, not a market agency, engaged in the business of buying or selling in commerce livestock [at a stockyard], either on his own account or as the employee or agent of the vendor or purchaser.

SEC. 302. (a) When used in this title the term “stockyard” means any place, establishment, or facility commonly known as stockyards, conducted or operated for compensation or profit as a public market, consisting of pens, or other inclosures, and their appurtenances, in which live cattle, sheep, swine, horses, mules, or goats are received, held, or kept for sale or shipment in commerce. [This title shall not apply to a stockyard of which the area normally available for handling livestock, exclusive of runs, alleys, or passageways, is less than twenty thousand square feet.]

(b) The Secretary shall from time to time ascertain, after such inquiry as he deems necessary, the stockyards which come within the foregoing definition, and shall give notice thereof to the stockyard owners concerned, and give public notice thereof by posting copies of such notice in the stockyard, and in such other manner as he may determine. After the giving of such notice to the stockyard owner and to the public, the stockyard shall remain subject to the provisions of this title until like notice is given by the Secretary that such stockyard no longer comes within the foregoing definition.

SEC. 303. After the expiration of thirty days after the Secretary has given public notice that any stockyard is within the definition of section 302, by posting copies of such notice in the stockyard, no person shall carry on the business of a market agency or dealer at such stockyard unless he has registered with the Secretary under such rules and regulations as the Secretary may prescribe, his name and address, the character of business in which he is engaged, and the kinds of stockyard services, if any, which he furnishes at such stockyard.

Every other person operating as a market agency or dealer as defined in section 301 of the Act may be required to register in such manner as the Secretary may prescribe. Whoever violates the provisions of this section shall be liable to a penalty of not more than \$500 for each such offense and not more than \$25 for each day it continues, which shall accrue to the United States and may be recovered in a civil action brought by the United States.

* * * * *

SEC. 311. Whenever in any investigation under the provisions of this title, or in any investigation instituted by petition of the [stockyard owner or market agency] *stockyard owner, market agency, or dealer* concerned, which petition is hereby authorized to be filed, the Secretary after full hearing finds that any rate, charge, regulation, or practice of any [stockyard owner or market agency] *stockyard owner, market agency, or dealer*, for or in connection with the buying or selling on a commission basis or otherwise, receiving, marketing, feeding, holding, delivery, shipment, weighing, or handling, not in commerce, of livestock, causes any undue or unreasonable advantage, prejudice, or preference as between persons or localities in intrastate commerce in livestock on the one hand and interstate or foreign commerce in livestock on the other hand, or any undue, unjust, or unreasonable discrimination against interstate or foreign commerce in livestock, which is hereby forbidden, and declared to be unlawful, the Secretary shall prescribe the rate, charge, regulation, or practice thereafter to be observed, in such manner as, in his judgment, will remove such advantage, preference, or discrimination. Such rates, charges, regulations, or practices shall be observed while in effect by the [stockyard owners or market agencies] *stockyard owners, market agencies, or dealers* parties to such proceeding affected thereby, the law of any State or the decision or order of any State authority to the contrary notwithstanding.

SEC. 312. (a) It shall be unlawful for any stockyard owner, market agency, or dealer to engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in connection with the receiving, marketing, buying, or selling on a commission basis or otherwise, feeding, watering, holding, delivery, shipment, weighing or handling, in commerce [at a stockyard], of livestock.

(b) Whenever complaint is made to the Secretary by any person, or whenever the Secretary has reason to believe, that any stockyard owner, market agency, or dealer is violating the provisions of subdivision (d), the Secretary after notice and full hearing may make an order that he shall cease and desist from continuing such violation to the extent that the Secretary finds that it does or will exist.

* * * * *

SEC. 406. (a) Nothing in this Act shall affect the power or jurisdiction of the Interstate Commerce Commission, nor confer upon the Secretary concurrent power or jurisdiction over any matter within the power or jurisdiction of such Commission.

(b) On and after the enactment of this Act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this Act is made subject to the jurisdiction of the Secretary, except *with respect to margarine or oleomargarine and retail sales of any commodity, and except*

in cases in which, before the enactment of this Act, complaint has been served under Section 5 of the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914, or under section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and except when the Secretary of Agriculture in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case [1], or in any case where the Secretary determines it to be in the public interest for the Federal Trade Commission to institute a proceeding under this Act, in which case the Commission shall have authority to exercise in connection therewith all the powers, functions, and authority of the Secretary under this Act, and the Secretary's determination in such instance shall be final.

FEDERAL TRADE COMMISSION ACT

* * * * *

SEC. 5. (a) * * *

(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, and [persons, partnerships, or corporations subject to the Packers and Stockyards Act, 1921, except as provided in section 406 (b) of said Act] matters made subject to the Packers and Stockyards Act, 1921, as amended, except as provided in section 406 (b) of said Act from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce.

MINORITY VIEWS

We oppose the provisions of sections 1 and 3 of H. R. 9020 on these premises.

1. The meatpacking business should be subject to the same kind and degree of monopoly and unfair trade practices regulation as all other types of business including all other food processors.

2. H. R. 9020 would perpetuate a different and less rigorous regulation by leaving the policing of wholesale sales by packers of their principal product subject solely to the Department of Agriculture and statutory prohibitions admittedly less stringent than those applied by the Federal Trade Commission to the activities of other processor-wholesalers.

H. R. 9020 should be amended to transfer policing jurisdiction of all packer sales activities to the Federal Trade Commission with power to apply all antimonopoly and antiunfair trade practices statutes to them.

Our position is substantially the position of these farm groups, small business associations and consumer organizations:

National Federation of Independent Business, Inc.
National Retail Dry Goods Association
National Association of Retail Grocers
National Fisheries Institute
United States Wholesale Grocers' Association, Inc.
National Farmers Union
National Food Brokers Association
Cooperative League of the United States
National Wool Growers Association
National Milk Producers Federation
American National Livestock Auction Association
Idaho Wool Growers Association
Utah Wool Growers Association
Wyoming Wool Growers Association
Utah Cattlemen's Association
Western States Meat Packers Association, Inc.
National Renderers Association
National American Wholesale Grocers Association
National Institutional Wholesale Grocers Association
National Candy Wholesalers Association, Inc.
Wyoming Stock Growers Association
National Preservers Association
Montana Cattlemens' Association
Iowa Swine Producers Association
Georgia Dairy Association
Pure Milk Association
Kansas Ice Cream and Milk Institute

A review of the history of the problem of necessary regulation of the meatpacking industry demonstrates the validity of these conclusions.

Prior to 1920, Armour, Cudahy, Swift, and the Morris Co. (which has since been absorbed by Swift), in effectively monopolizing or otherwise dominating the livestock slaughtering and marketing business, engaged in various monopolistic and unfair trade practices which handicapped competition and burdened the farm producer and the consumer.

As a result of this intolerable situation, the Justice Department proceeded against them under the Sherman Act. To avoid an outright unfavorable judicial decision, these packers entered into a consent decree to cease and desist at least some of the practices they had theretofore been guilty of, including intrusion into direct retail selling. Such consent decree is still in effect, but it is no complete answer to the problem of monopoly and unfair competition in the field of livestock purchases, slaughter, and resale of meat and meat byproducts.

The consent decree does not apply to other potential monopolistic or cutthroat competitors who were not parties to the consent-decree action; moreover, with changes in methods of buying live animals and remerchandising, the tactics of monopoly and unfair trade practices have assumed forms outside the purview of the said consent decree.

The inadequacy of the consent decree as noted would pose no large problem if the Clayton Act, The Federal Trade Commission Act and the Robinson-Patman Act had current application to the meatpacking business. Unfortunately this is not the case. In 1921 the Congress and the President approved the Packers and Stockyards Act. This statute effectively removed the meatpacking business from the jurisdiction of the Federal Trade Commission and from the application of the said statutes. Sherman Act prohibitions still apply, but the Sherman Act effectively regulates only full-blown monopolies. The Federal Trade Commission, Clayton, and Robinson-Patman Acts were necessary additions to the Sherman Act to reach the problem of less than monopoly methods of unfair competition and the problem of incipient monopoly.

To justify its removal of the meatpacking industry from these statutes and from the jurisdiction of the Federal Trade Commission, the Packers and Stockyards Act provided additionally a substitute regulation under the jurisdiction of the United States Department of Agriculture. The only apparent rationalization of this substitution of control was the illogical sentiment that meatpacking was somehow sufficiently tied to agriculture to warrant its exclusion from the regulation which governs all other food processing and resale industries. This sentiment was bolstered by the establishment of a new system of regulation of stockyards owners and related agents dealing in sales by farmers of live animals (title III of the Packers and Stockyards Act).

Has this substitute provided adequate regulation to justify the negation of the jurisdiction of the Federal Trade Commission and the antimonopoly and unfair trade practices statutes it enforces? The answer is that it has not for a variety of reasons. In discussing this proposition, we must distinguish between the aforesaid title III of the Packers and Stockyards Act and title II which deals with resale of the products of slaughter and other purchases and sales in which packers have come to be engaged.

The House Agriculture Committee heard experts testify that the prohibitions of title II were not as rigorous as the prohibitions of the

Federal Trade Commission, Clayton, and Robinson-Patman Acts. Moreover, the substance of the latter statutes has been buttressed by many reported agency and court decisions, whereas title II of the Packers and Stockyards Act has no publicly reported and binding history of application of its substance.

This dearth of enforcement decisions has further significance because it demonstrates that title II of the Packers and Stockyards Act has not been enforced during its 36 years of history. The hearing record of the House Agriculture Committee contains overwhelming testimony that during this period the Department of Agriculture has neglected the enforcement of title II of the Packers and Stockyards Act despite the fact that such neglect meant no regulation whatsoever of the most dangerous activities of those engaged in the meatpacking business. The defense of the Department that enforcement was accomplished by letters or oral requests is no sufficient answer to a charge of neglect and, in any event, no adequately documented record of such request and compliance was furnished the committee to substantiate the conclusion that this was a policy of any consequence.

We must, therefore, consider a proper answer to this most pressing problem if the small-business men in various aspects of the meat business—including the small packers and small retail merchants, the ultimate consumers of meat and other products which packers produce, and the producers of live animals are to receive the protection they deserve.

The best answer is the resubjection of packers to the Federal Trade Commission, Clayton, and Robinson-Patman Acts under the jurisdiction of the Federal Trade Commission and the placing of the enforcement of title II of the Packers and Stockyards Act under the jurisdiction of the same agency. The relatively minor provisions of title III of the Packers and Stockyards Act would continue to be the responsibility of the United States Department of Agriculture. This answer is proposed in the Senate by Senators O'Mahoney and Watkins and the Senate Judiciary Committee has already reported such legislation. This answer is proposed in the House of Representatives by resolutions referred to three different committees; Agriculture, Judiciary, and Interstate and Foreign Commerce.

The House Committee on Agriculture had before it, at the time of consideration of H. R. 9020, bills to this effect by Congressmen Dixon and Hagen, and the House Committees on Judiciary and Interstate and Foreign Commerce have held hearings on similar bills. We propose to offer this solution as a substitute for the committee proposal as an amendment to the committee bill.

H. R. 9020, the committee proposal, fails to reach the basic lack of regulation of monopolistic and other unfair trade practices in the meat packing industry and this conclusion can be demonstrated. Section 2 of H. R. 9020 deals solely with regulation of stockyards and related aspects of the selling of live animals and has almost no relationship to the basic problem this legislation attempts to reach. Almost no testimony was taken with respect to section 2 and if a need for it exists, it should be contained in separate legislation.

Sections 1 and 3 of H. R. 9020 are its substance with respect to packer regulation. Read together, they would reinstitute Federal Trade Commission supervision over limited aspects of the meatpacking industry, to wit: all retail sales, all sales of oleomargarine and similar

manufactured products which are primarily nonmeat products or nonfood-livestock products.

These specifications leave the United States Department of Agriculture in complete charge of livestock processing and, more significantly, all wholesaling of meat and meat products in spite of the fact that this is the danger area of unfair competition in the packing business. It is this area which most concerns small packer competitors and various other small-business men who are links in the meat business, including small retail grocers. It is this area which most requires effective regulation.

It is admitted that the United States Department of Agriculture has not effectively regulated this or any other sales during 36 years of history of the Packers and Stockyards Act and that it has no adequate staff for that purpose. Assuming the proponents of this division of authority over the meatpacking business between the Federal Trade Commission and the United States Department of Agriculture are sincere in their desire to secure effective regulation, it is apparent that they contemplate establishment of a vast new bureaucracy in the United States Department of Agriculture. In our judgement, such regulation could be accomplished at less cost and more efficiently by the Federal Trade Commission, an agency with adequate staff and long experience, charged by Congress with the duty of policing monopoly and unfair trade practices of all other types of business.

Assuming that the United States Department of Agriculture continues to neglect its responsibilities or that the Congress refuses to take the expensive route of providing new United States Department of Agriculture appropriations, the alternative is the nonregulation which has persisted for 36 years and would continue under the protection of H. R. 9020.

Some supporters of H. R. 9020 may assert that the House Agriculture Committee was furnished no case-by-case history of abuses by the packing industry which were not corrected. The best demonstration of the truth of the proposition that there has been no regulation under the Packers and Stockyards Act is the fact that numerous nonpacker corporations, with presumably intelligent directors and other officers, have sought to qualify as packers by acquiring small packing operations and claiming immunity from the jurisdiction of the Federal Trade Commission and the statutes it enforces. This business attitude is sufficient proof of the charge of an inadequacy in the Packers and Stockyards Act and its enforcement without any further evidence.

Respectfully submitted.

HARLAN HAGEN.
HENRY ALDOUS DIXON.

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85TH CONGRESS
1ST SESSION

H. R. 9020

[Report No. 1048]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

AUGUST 9, 1957

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Packers and Stockyards Act, 1921, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Packers and Stockyards Act, 1921, as amended (42
4 Stat. 159, as amended; 7 U. S. C. 181 and the following), is
5 amended as follows:

6 (1) By amending section 202 by inserting after
7 the word "unlawful" the words "with respect to live-
8 stock, meats, meat food products, livestock products in
9 unmanufactured form, poultry, or poultry products".

10 (2) By amending section 406 by inserting after
11 the word "except" where it first appears in subsection

1 (b) the words “with respect to margarine or oleomarga-
 2 rine and retail sales of any commodity, and except”.

3 (3) By further amending section 406 by inserting
 4 a comma in lieu of the period at the end of subsection
 5 (b) and adding the following: “or in any case where
 6 the Secretary determines it to be in the public interest
 7 for the Federal Trade Commission to institute a pro-
 8 ceeding under this Act, in which case the Commission
 9 shall have authority to exercise in connection therewith
 10 all the powers, functions, and authority of the Secretary
 11 under this Act, and the Secretary’s determination in
 12 such instance shall be final.”

13 SEC. 2. Said Act is further amended—

14 (1) by striking out the words “at a stockyard” from
 15 sections 301 (c) and 301 (d) ;

16 (2) by striking out the last sentence of section 302
 17 (a) ;

18 (3) by inserting after the first sentence in section
 19 303 the following sentence: “Every other person operat-
 20 ing as a market agency or dealer as defined in section
 21 301 of the Act may be required to register in such
 22 manner as the Secretary may prescribe.”;

23 (4) by amending section 311 by striking out the
 24 words “stockyard owner or market agency” wherever
 25 they occur and inserting “stockyard owner, market

1 agency, or dealer” and by striking out “stockyard
2 owners or market agencies” and inserting “stockyard
3 owners, market agencies, or dealers”;

4 (5) by striking out the words “at a stockyard”
5 from section 312 (a).

6 SEC. 3. Subsection 6 of section 5 (a) of the Federal
7 Trade Commission Act (15 U. S. C. 45 (a) (6)) is
8 amended by striking out “persons, partnerships or corpora-
9 tions subject to the Packers and Stockyards Act, 1921, ex-
10 cept as provided in section 406 (b) of said Act”, and sub-
11 stituting therefor the following: “matters made subject to the
12 Packers and Stockyards Act, 1921, as amended, except as
13 provided in section 406 (b) of said Act”.

85TH CONGRESS
1ST Session

H. R. 9020

[Report No. 1048]

A BILL

To amend the Packers and Stockyards Act, 1921, as amended, and for other purposes.

By Mr. COOLEY

August 1, 1957

Referred to the Committee on Agriculture

August 9, 1957

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

LEGISLATIVE HISTORY

STATE OF NEW YORK,
STATE OF NEW YORK,
JOINT LEGISLATIVE COMMITTEE ON
INTERSTATE COOPERATION,
February 19, 1958.

Senator SAM J. ERVIN,
United States Senate, Washington, D. C.

DEAR SENATOR ERVIN: We understand that H.R. 4642 (a bill to establish a Commission and Advisory Committee on International Rules of Judicial Procedure) has passed the House and is now before a special subcommittee of the Senate Committee on the Judiciary. We write to you as subcommittee chairman in order to express our support of H.R. 4642 as it passed the House on February 3. We were happy to note that the committee report on the bill in the House set forth our views in detail by reproducing in its entirety a memorandum which we prepared on this bill last year. That memorandum is substantially similar to one which we submitted to the Senate Committee on the Judiciary in 1956 when H.R. 7500 (84th Cong.) was under consideration.

Our view has remained the same ever since we first became aware of this legislation. Certainly much useful work could be done in making it easier to process litigation and administrative proceedings with foreign aspects. Agreements such as those which might be drafted by the proposed Commission could be very helpful. Nevertheless, the lack of provision for representing the States officially on a commission whose work would so materially affect the procedures and responsibilities of state government led us to believe that as originally introduced the legislation might inadvertently accomplish more harm than good. We were also disturbed that legislation so vital to the States had gone so far without being discussed with State officials.

The State interest in the proposal contained in H.R. 4642 is obviously equal to that of the National Government. Consequently, equal representation of the State and Federal Governments on the Commission would have been appropriate. While the bill as it passed the House does not go quite this far, it does give substantial recognition to the States in a form that should make it possible for them to contribute to the work of the Commission in a manner that will produce workable agreements. Consequently, we hope that the Senate will give favorable and expeditious consideration to H.R. 4642 as it passed the House on February 3.

Sincerely,

ELISHA T. BARRETT, *Chairman.*

LIVESTOCK MARKETING AND MEATPACKING INDUSTRY—FAIR TRADE PRACTICES

For text of Act see p. 2105

House Report No. 1048, Aug. 9, 1957 [To accompany H.R. 9020]

No Senate Report was submitted with this legislation.

House Report No. 1048

THE Committee on Agriculture to whom was referred the bill (H.R. 9020) to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

FAIR TRADE PRACTICES

PRINCIPAL PROVISIONS OF THE ACT

The Packers and Stockyards Act was enacted by Congress in 1921. The primary purpose of this Act is to assure fair competition and fair trade practices in livestock marketing and in the meatpacking industry. The objective is to safeguard farmers and ranchers against receiving less than the true market value of their livestock and to protect consumers against unfair business practices in the marketing of meats, poultry, etc. Protection is also provided to members of the livestock marketing and meat industries from unfair, deceptive, unjustly discriminatory, and monopolistic practices of competitors, large or small.

Three general areas of regulation are encompassed by the act. The regulation of packers is provided for in title II. Title III provides for the regulation of stockyards posted under the act (operating in interstate commerce and having an area of 20,000 square feet or more) and of market agencies and dealers operating at such stockyards. Title V provides for the regulation of live poultry dealers and handlers at cities or places that may be designated under the act. The other titles of the act, title I and title IV, cover definitions and general provisions.

The act provides that meatpackers subject to its provisions shall not engage in practices that restrain commerce or create a monopoly. They are prohibited from buying or selling any article for the purpose of or with the effect of manipulating or controlling prices in commerce. They are also prohibited from engaging in any unfair, deceptive, or unjustly discriminatory practice or device in the conduct of their business, or conspiring, combining, agreeing, or arranging with other persons to do any of these acts.

Commission men, dealers, and stockyard operators at markets posted under the act are prohibited by its provisions from engaging in any unfair, deceptive, or unjustly discriminatory practice or device in the conduct of their business. The Secretary of Agriculture is authorized to require such commission men and dealers to furnish reasonable bonds to assure payment for livestock bought or sold at a stockyard.

Stockyard owners and market agencies are required to furnish reasonable stockyard services without discrimination and to charge reasonable and nondiscriminatory rates. Stockyard owners and market agencies are also required by the act to file with the Secretary schedules of their rates and charges and of any changes that may be made in them. These rates and charges are subject to review by the Secretary and if found to be unreasonable the Secretary may fix ones that are reasonable.

Meatpackers, commission men, dealers, and stockyard operators are required by the act to keep such books and records as fully and correctly disclose all their transactions. Such books and records are required to be made available to authorized representatives of the Secretary for such examination and copying as may be deemed necessary. Provisions made in the act for filing such reports as the Secretary may require and for the issuance of subpoenas to compel production of such books and records and for the giving of testimony by witnesses.

Under the act, commission men and dealers found to be violating its provisions may be suspended from doing business. Among the various en-

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enforcement provisions, the act also provides for the issuance, after formal hearings, of cease and desist orders against meatpackers and all other persons subject to it.

BACKGROUND

At the time the Packers and Stockyards Act became law and for many years thereafter, its provisions were apparently well suited to adequate regulation of the meatpacking industry. During that period, there were relatively few livestock auction markets engaged in interstate commerce; companies and individuals engaged in the meatpacking business were generally not engaged in any other business; and retailing of meat and meat products was carried out largely through small independent meat markets and grocery stores.

In recent years, particularly since the end of World War II, technological and economic evolution have brought about changes in the meatpacking industry and in the environment in which it operates creating conditions that this 1921 law was not designed to meet. For some time, it has been obvious that the Packers and Stockyards Act required a major overhauling and modernization to meet these changing conditions in the industry.

PROBLEM AREAS

In general, three major problem areas have developed as the result of the technological and economic changes that have taken place in recent years.

Livestock markets

When this act was passed in 1921, there were relatively few livestock markets and these were located primarily in large terminals. Most of the interstate movement of livestock was by railroad. In the early years of operation under the act all of the eligible markets were posted and the record shows that until 1930 these averaged less than 80 for the entire United States.

As transportation facilities—particularly roads and trucks—improved, railroads ceased to be an important limiting factor on livestock movement and the character of livestock marketing began to change. More auction markets developed: In 1930 there were 73 posted stockyards; by March 18, 1957, this number had increased to 439 and the Department of Agriculture estimates that there are at least an additional 500 stockyards still unposted which are eligible for posting (engaged in interstate commerce and with an area of 20,000 square feet or more).

More important, there have developed throughout the country an additional 1,400 or 1,500 country auctions and livestock markets which are engaged in interstate commerce but which are not under the jurisdiction of the Packers and Stockyards Act because of the size limitations in the act. Although these markets are technically under the jurisdiction of the Federal Trade Commission, there has been no effort by the FTC to regulate trade practices on these markets.

Equally significant is the growth which has taken place in country buying—buying by packers or by livestock dealers direct from the producer, without the animals going through a public stockyard or market. There

was little or no such buying at the time the Packers and Stockyards Act became law but it is today a common practice in almost every part of the country and more than 40 percent of all livestock sold moves in this manner. The Department of Agriculture has no jurisdiction over this country buying except that which is done by buyers for packers.

Manufacturing diversification

The tendency of many manufacturers to diversify their operations into the production of different types of products has been reflected also in the meatpacking industry in the 36 years since the Packers and Stockyards Act became law. In conformity with this general business trend, a number of meatpackers have expanded their processing or manufacturing and distribution activities to products which may be allied to but certainly are not a direct part of the business of slaughtering livestock and marketing the products therefrom. These extraneous activities include items such as eggs, butter, and other dairy products, oleomargarine, soaps, dog foods, cleansers, fertilizers, chemicals, and sporting goods. Under the provisions of the act, the merchandizing and other practices followed in connection with these products are also subject to the scrutiny of the Secretary of Agriculture and, because they are carried out by meatpackers, are not subject to the scrutiny of the Federal Trade Commission.

Retail merchandising

Under the provisions of the act, any person or firm engaged in the business of marketing, even at the retail level, any meats, meat food products, etc., in interstate commerce was classified as a packer and made subject to the provisions of the Act if that person or firm also owned as much as 20 percent of the interest in a meatpacking or processing plant. At the time the act became law, this provision made sense, for, as has previously been pointed out, most of the retail merchandising of meat and meat food products was through small independent meat markets or grocery stores, and this provision was placed in the act so that none of the activities of meatpackers, even at the retail level, might escape the scrutiny of the Secretary of Agriculture.

Since that time, the independent meat market or "butcher shop" has virtually disappeared from the American scene. Meat is now commonly marketed at retail either in a general neighborhood grocery store or in a self-service supermarket along with canned goods, fresh vegetables, bakery goods, drugs, notions, kitchen utensils, and sundry other products. Many of these stores are operated by chains engaged in interstate commerce. Some of these chains also have meatpacking and meat processing operations. As a result, there are 14 chain stores presently classified as packers and filing reports under the act with the Secretary of Agriculture.

CHANGES MADE BY THIS BILL

From the foregoing it is obvious that the area in which the Packers and Stockyards Act is designed to operate has changed so substantially since 1921 that the Secretary of Agriculture is today charged by the act with responsibility over businesses and operations which could never have been intended by the framers of the legislation and is, on the other hand, powerless to take any action in some matters which have become an important

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and vital part of the livestock and meat packing industry. The bill reported herewith is a committee bill, drafted by the committee following extensive hearings on this matter. It is designed to amend the Packers and Stockyards Act so as to make it once again an effective instrumentality for the regulation of the livestock and meatpacking industry and for the protection of both producers and consumers. Specific changes are made in the act to meet the problems outlined above. These changes are:

(1) There is a clear delineation between the Secretary of Agriculture and the Federal Trade Commission with respect to their jurisdiction over meatpackers with separate areas of responsibility designated.

(2) The Secretary of Agriculture will have jurisdiction over and responsibility for those activities of packers relating to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products.

(3) All other activities of packers will be under the jurisdiction and responsibility of the Federal Trade Commission.

(4) Chain stores and other firms or persons engaged only incidentally in the meat packing or processing business will be subject to the trade practice provisions of the Packers and Stockyards Act only to the extent that they are engaged in meatpacking or some other operation falling within the specific responsibility of the Secretary of Agriculture under the act.

(5) The Secretary of Agriculture is given jurisdiction over all livestock marketing involved in interstate commerce including country buying of livestock and auction markets, regardless of size.

(6) The Secretary is authorized to delegate to the FTC authority over specific packer activities when he determines such action to be in the public interest.

HEARINGS

Hearings were held on two sharply divergent bills—H.R. 7743 and H.R. 8536. The former would have attacked only one of the problem areas discussed above—classifying chain stores and other businesses as “packers.” The latter bill would have transferred to the Federal Trade Commission all of the jurisdiction now exercised by the Secretary of Agriculture over the meatpacking industry except that presently exercised by him in connection with posted stockyards.

Testimony at the hearings, which were conducted by the full committee, was as sharply divergent as the two bills under consideration. Those advocating the enactment of H.R. 8536 appeared to be convinced that most of the problems which might beset producers, consumers, or the meatpacking industry would be solved by complete transfer of jurisdiction over meatpackers from the Secretary of Agriculture to the Federal Trade Commission. Those who appeared in support of H.R. 7743, on the other hand, stoutly denied the existence of any major regulatory problems and maintained that mere clarification of jurisdiction with respect to chain stores and others similarly situated was all that the situation required.

Throughout the hearings the assumption was repeatedly made by advocates of H.R. 8536 that enforcement of fair trade practices by the Secretary of Agriculture under the Packers and Stockyards Act is so inferior to enforcement of fair trade practices by the Federal Trade Commission under its act that those who are under the jurisdiction of the Packers and Stock-

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yards Act are somehow "escaping" effective scrutiny by a Federal agency over their trade practices. Although virtually every witness who indulged in this generalized assumption was requested by the committee to substantiate it with specific evidence, no such evidence was forthcoming and the committee is forced to the conclusion that there is no substantial evidence to indicate that there would be a higher degree of enforcement of fair trade practices under one agency than under the other.

Another assumption repeatedly indulged in by proponents of H.R. 8536—in spite of the fact that a correct statement of the situation was made by the General Counsel of the Federal Trade Commission early in the hearing—was that those persons and firms which are subject to the provisions of the Packers and Stockyards Act are thereby somehow exempt from application of the antitrust laws. This is not the case. The antitrust laws are embodied in the Sherman Act, the Clayton Act, and the Robinson-Patman Act (which is an amendment to the Clayton Act). These acts are administered by the Department of Justice with respect to both civil and criminal procedures and there is nothing in the Packers and Stockyards Act which gives those under its jurisdiction any immunity from actions under the antitrust laws. On the contrary, section 405 of the act specifically provides that "nothing contained in this act, except as otherwise provided herein, shall be construed to prevent or interfere with the enforcement of or the procedure under the provisions of" the Sherman Antitrust Act and the Clayton Act or to "alter, modify, or repeal such acts, or any part or parts thereof."

It appeared to the committee that most of the problems in connection with the Packers and Stockyards Act arise very simply from the fact that we are undertaking to apply to 1957 commercial and business conditions a law which was designed to be applied to the conditions prevailing in 1921. Accordingly, following the hearings on the two bills above referred to, the chairman referred the matter to the Livestock and Feed Grains Subcommittee with instructions to draft a committee bill. After the most thorough consideration of all the evidence and opinion available, including a daylong session with attorneys of the Department of Agriculture and Federal Trade Commission, the subcommittee reported back with the draft of a bill (substantially the same as the bill reported herewith) on which hearings were then held by the full committee.

At this hearing testimony was received from virtually all of the groups which had participated in the earlier hearings. The position of most witnesses, including spokesmen for the Department of Agriculture and the Federal Trade Commission, was that of qualified approval of the bill. Only one organization—the National Grocery Manufacturers Association—expressed unqualified opposition.

ANALYSIS OF THE BILL

Jurisdiction over packers

Under the present provisions of the Packers and Stockyards Act jurisdiction is predicated entirely upon the "person." The term "packer" is defined in section 201 of the act and any person or firm who falls within this definition is under the jurisdiction of the act and, therefore, of the Secretary of Agriculture with respect to all his activities, in interstate commerce whether or not they are directly related to the slaughter, processing, and

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marketing of livestock. While retaining the existing definition of a packer, the bill amends the act so that jurisdiction is predicated not upon the mere fact that a person or firm may fall within the definition of a packer but upon the type of activity carried on by such person. The bill limits the jurisdiction of the act and, therefore, of the Secretary of Agriculture to those commodities specifically listed in paragraph (1): "livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products." Activities of packers with respect to all other products will fall under the jurisdiction of the Federal Trade Commission.

This basic change in the jurisdiction of the act is reflected in section 3 where a change is made in the Federal Trade Commission Act to change the reference there from "persons, partnerships, or corporations subject to the Packers and Stockyards Act" to "matters made subject to the Packers and Stockyards Act".

Paragraph (2) of section 1 provides that the Secretary of Agriculture and the Federal Trade Commission shall both have jurisdiction over trade practices at the retail sales level. "Retail sales" mean sales by a retailer to an individual consumer—not bulk sales to institutions and bulk users of products such as are normally made by wholesale dealers. This paragraph also clarifies the basic jurisdiction intended by the committee by providing specifically that all matters with respect to margarine and oleomargarine are to be under the jurisdiction of the Federal Trade Commission.

Paragraph (3) of section 1 provides that the Secretary of Agriculture may transfer jurisdiction under the act to the Federal Trade Commission in any case where he determines it to be in the public interest. It is contemplated by the committee that the Secretary will exercise this discretion in cases which might arise where FTC is making an industrywide investigation of some commodity only a small part of which might be produced by packers, in connection with specific commodity determinations under the designations in paragraph (1), or instances where the subject matter is not of direct or substantial importance in the marketing of livestock or its products.

Definitions

The terms "meat food products" and "livestock products" are defined in the act. Meat food products are edible products and byproducts of the slaughtering and meatpacking industry, while livestock products are the inedible products and byproducts of such industry.

With respect to livestock products, the division of jurisdiction between the Secretary and the Commission on the basis of manufactured or non-manufactured state, as provided by the bill, appears to constitute a logical division of jurisdiction. In general, the criterion of manufacture laid down by the Supreme Court in the case of *East Texas Motor Freight Lines, et al. v. Frozen Food Express, Secretary of Agriculture, et al.* would seem to be a substantial guide, so that there should be no difficulty when the Secretary and the Commission actually consider specific livestock products in reaching a determination with respect to each product. It is quite clear for example that a rawhide is an unmanufactured livestock product and, in the opinion of the committee, it remains an unmanufactured livestock product no matter what kind of processing the hide may be subjected to until it is used in the manufacture of some other product. It is equally clear that a

FAIR TRADE PRACTICES

hide which has been used in the manufacture of a baseball glove or a pair of shoes is no longer an unmanufactured livestock product.

With respect to "meat food products," a further defining is extremely difficult because of the vast variety of forms in which meat is merchandised and the wide variance in the quantitative use of meat in edible products produced by the slaughtering and meatpacking industry. This term is used in the Meat Inspection Act, which was enacted in 1907, without further defining; therefore, it has a long-established and understood meaning in the industry. Provision is made in the bill whereby the Secretary may determine it to be in the public interest for the Federal Trade Commission to institute a proceeding with respect to any matter made subject to the jurisdiction of the Secretary under the act under which circumstance the Commission may proceed, exercising all the powers, functions, and authority of the Secretary under the act. It is contemplated by the committee that, with respect to meat food products, the Secretary will make such determination where he finds that the marketing of any meat food product is not directly related to, or has not a substantial effect upon, the marketing of livestock or meat in interstate commerce. The meat food products which would fall in this category would be largely those in which meat did not constitute a substantial or definite part of the product.

Livestock marketing

Section 2 of the bill amends the act so as to bring under its jurisdiction all livestock marketing activities which are a part of interstate commerce. In this connection it should be noted that none of the provisions of the act apply to a farmer or rancher who, in the ordinary course of such business, sells his own livestock or purchases livestock for his own farming or ranching operations.

At the present time, the provisions of the act limit its jurisdiction to transactions taking place at a "stockyard" as defined in the act. The effect of section 2 is principally that of striking out the words "at a stockyard" where they appear in the relevant provisions of the act so that the jurisdiction of the Secretary will not be hereafter limited to transactions taking place at a stockyard. It also changes the definition of "stockyard" so as to make the same rules applicable to all interstate stockyards regardless of size.

Paragraph (3) of section 2 will permit the Secretary to require persons operating as dealers and market agencies at places other than stockyards to register in substantially the same manner as is now required of such persons operating on posted stockyards. This registration does not involve licensing in its ordinary sense. It merely provides a means of identifying the persons who are engaging in the business of a market agency or a dealer, the nature of their business, and the place or places where they operate.

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DEPARTMENTAL POSITION

Following is the report from the Department of Agriculture stating it has no objection to enactment of this bill:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., August 8, 1957.

Hon. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR CONGRESSMAN COOLEY: Reference is made to Mr. Holmburger's telephone request of August 6, 1957, for a report on H.R. 9020, a proposed amendment to the Packers and Stockyards Act, to clarify jurisdiction over the meatpacking and livestock industries.

This bill would shift jurisdiction from the Secretary of Agriculture to the Federal Trade Commission over the trade practices of the meatpacking industry other than in livestock, poultry, meats, meat-food products, poultry products, or livestock products in unmanufactured form. It would also give the Federal Trade Commission jurisdiction over eggs and dairy products and concurrent jurisdiction with the Secretary over margarine and the retail sales of meatpackers. It would extend the jurisdiction of the Secretary to cover the practices of market agencies, dealers, and stockyards engaged in interstate commerce, but not now subject to the Packers and Stockyards Act.

This Department has no objection to enactment of this bill. The bill strengthens jurisdiction and authority of the Secretary in the field of livestock marketing, highly desirable at this time due to the marketing trend away from established public markets. At the same time we believe the bill preserves sufficient authority over the meatpacking industry in the Secretary so as not to affect adversely the Department's ability to assure producers of effective competition and the true value of their livestock and poultry.

It is believed that this amendment which gives the Secretary jurisdiction over the entire livestock marketing field in interstate commerce through inclusion of stockyards of less than 20,000 square feet in size operating in interstate commerce, and agencies and dealers operating in commerce at points away from posted stockyards will cost, if effective enforcement is to be attained, approximately \$300,000 to \$425,000 in addition to funds necessary to enforce the present act.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

MINORITY VIEWS

We oppose the provisions of sections 1 and 3 of H.R. 9020 on these premises.

1. The meatpacking business should be subject to the same kind and degree of monopoly and unfair trade practices regulation as all other types of business including all other food processors.

2. H.R. 9020 would perpetuate a different and less rigorous regulation by leaving the policing of wholesale sales by packers of their principal product subject solely to the Department of Agriculture and statutory prohibitions admittedly less stringent than those applied by the Federal Trade Commission to the activities of other processor-wholesalers.

FAIR TRADE PRACTICES

H.R. 9020 should be amended to transfer policing jurisdiction of all packer sales activities to the Federal Trade Commission with power to apply all antimonopoly and antiumfair trade practices statutes to them.

Our position is substantially the position of these farm groups, small business associations and consumer organizations:

- National Federation of Independent Business, Inc.
- National Retail Dry Goods Association
- National Association of Retail Grocers
- National Fisheries Institute
- United States Wholesale Grocers' Association, Inc.
- National Farmers Union
- National Food Brokers Association
- Cooperative League of the United States
- National Wool Growers Association
- National Milk Producers Federation
- American National Livestock Auction Association
- Idaho Wool Growers Association
- Utah Wool Growers Association
- Wyoming Wool Growers Association
- Utah Cattlemen's Association
- Western States Meat Packers Association, Inc.
- National Renderers Association
- National American Wholesale Grocers Association
- National Institutional Wholesale Grocers Association
- National Candy Wholesalers Association, Inc.
- Wyoming Stock Growers Association
- National Preservers Association
- Montana Cattlemen's Association
- Iowa Swine Producers Association
- Georgia Dairy Association
- Pure Milk Association
- Kansas Ice Cream and Milk Institute

A review of the history of the problem of necessary regulation of the meatpacking industry demonstrates the validity of these conclusions.

Prior to 1920, Armour, Cudahy, Swift, and the Morris Co. (which has since been absorbed by Swift), in effectively monopolizing or otherwise dominating the livestock slaughtering and marketing business, engaged in various monopolistic and unfair trade practices which handicapped competition and burdened the farm producer and the consumer.

As a result of this intolerable situation, the Justice Department proceeded against them under the Sherman Act. To avoid an outright unfavorable judicial decision, these packers entered into a consent decree to cease and desist at least some of the practices they had theretofore been guilty of, including intrusion into direct retail selling. Such consent decree is still in effect, but it is no complete answer to the problem of monopoly and unfair competition in the field of livestock purchases, slaughter, and resale of meat and meat byproducts.

The consent decree does not apply to other potential monopolistic or cut-throat competitors who were not parties to the consent-decree action; moreover, with changes in methods of buying live animals and remerchandis-

LEGISLATIVE HISTORY

ing, the tactics of monopoly and unfair trade practices have assumed forms outside the purview of the said consent decree.

The inadequacy of the consent decree as noted would pose no large problem if the Clayton Act, The Federal Trade Commission Act and the Robinson-Patman Act had current application to the meatpacking business. Unfortunately this is not the case. In 1921 the Congress and the President approved the Packers and Stockyards Act. This statute effectively removed the meatpacking business from the jurisdiction of the Federal Trade Commission and from the application of the said statutes. Sherman Act prohibitions still apply, but the Sherman Act effectively regulates only full-blown monopolies. The Federal Trade Commission, Clayton, and Robinson-Patman Acts were necessary additions to the Sherman Act to reach the problem of less than monopoly methods of unfair competition and the problem of incipient monopoly.

To justify its removal of the meatpacking industry from these statutes and from the jurisdiction of the Federal Trade Commission, the Packers and Stockyards Act provided additionally a substitute regulation under the jurisdiction of the United States Department of Agriculture. The only apparent rationalization of this substitution of control was the illogical sentiment that meatpacking was somehow sufficiently tied to agriculture to warrant its exclusion from the regulation which governs all other food processing and resale industries. This sentiment was bolstered by the establishment of a new system of regulation of stockyards owners and related agents dealing in sales by farmers of live animals (title III of the Packers and Stockyards Act).

Has this substitute provided adequate regulation to justify the negation of the jurisdiction of the Federal Trade Commission and the antimonopoly and unfair trade practices statutes it enforces? The answer is that it has not for a variety of reasons. In disenssing this proposition, we must distinguish between the aforesaid title III of the Packers and Stockyards Act and title II which deals with resale of the products of slaughter and other purchases and sales in which packers have come to be engaged.

The House Agriculture Committee heard experts testify that the prohibitions of title II were not as rigorous as the prohibitions of the Federal Trade Commission, Clayton, and Robinson-Patman Acts. Moreover, the substance of the latter statutes has been buttressed by many reported agency and court decisions, whereas title II of the Packers and Stockyards Act has no publicly reported and binding history of application of its substance.

This dearth of enforcement decisions has further significance because it demonstrates that title II of the Packers and Stockyards Act has not been enforced during its 36 years of history. The hearing record of the House Agriculture Committee contains overwhelming testimony that during this period the Department of Agriculture has neglected the enforcement of title II of the Packers and Stockyards Act despite the fact that such neglect meant no regulation whatsoever of the most dangerous activities of those engaged in the meatpacking business. The defense of the Department that enforcement was accomplished by letters or oral requests is no sufficient answer to a charge of neglect and, in any event, no adequately documented record of such request and compliance was furnished the committee to substantiate the conclusion that this was a policy of any consequence.

We must, therefore, consider a proper answer to this most pressing problem if the small-business men in various aspects of the meat business—including the small packers and small retail merchants, the ultimate consumers of meat and other products which packers produce, and the producers of live animals are to receive the protection they deserve.

The best answer is the resubjection of packers to the Federal Trade Commission, Clayton, and Robinson-Patman Acts under the jurisdiction of the Federal Trade Commission and the placing of the enforcement of title II of the Packers and Stockyards Act under the jurisdiction of the same agency. The relatively minor provisions of title III of the Packers and Stockyards Act would continue to be the responsibility of the United States Department of Agriculture. This answer is proposed in the Senate by Senators O'Mahoney and Watkins and the Senate Judiciary Committee has already reported such legislation. This answer is proposed in the House of Representatives by resolutions referred to three different committees; Agriculture, Judiciary, and Interstate and Foreign Commerce.

The House Committee on Agriculture had before it, at the time of consideration of H.R. 9020, bills to this effect by Congressmen Dixon and Hagen, and the House Committees on Judiciary and Interstate and Foreign Commerce have held hearings on similar bills. We propose to offer this solution as a substitute for the committee proposal as an amendment to the committee bill.

H.R. 9020, the committee proposal, fails to reach the basic lack of regulation of monopolistic and other unfair trade practices in the meat packing industry and this conclusion can be demonstrated. Section 2 of H.R. 9020 deals solely with regulation of stockyards and related aspects of the selling of live animals and has almost no relationship to the basic problem this legislation attempts to reach. Almost no testimony was taken with respect to section 2 and if a need for it exists, it should be contained in separate legislation.

Sections 1 and 3 of H.R. 9020 are its substance with respect to packer regulation. Read together, they would reinstitute Federal Trade Commission supervision over limited aspects of the meatpacking industry, to wit: all retail sales, all sales of oleomargarine and similar manufactured products which are primarily nonmeat products or nonfood livestock products.

These specifications leave the United States Department of Agriculture in complete charge of livestock processing and, more significantly, all wholesaling of meat and meat products in spite of the fact that this is the danger area of unfair competition in the packing business. It is this area which most concerns small packer competitors and various other small-business men who are links in the meat business, including small retail grocers. It is this area which most requires effective regulation.

It is admitted that the United States Department of Agriculture has not effectively regulated this or any other sales during 36 years of history of the Packers and Stockyards Act and that it has no adequate staff for that purpose. Assuming the proponents of this division of authority over the meatpacking business between the Federal Trade Commission and the United States Department of Agriculture are sincere in their desire to secure effective regulation, it is apparent that they contemplate establishment of a vast new bureaucracy in the United States Department of Agriculture. In our judgment, such regulation could be accomplished at less cost and

more efficiently by the Federal Trade Commission, an agency with adequate staff and long experience, charged by Congress with the duty of policing monopoly and unfair trade practices of all other types of business.

Assuming that the United States Department of Agriculture continues to neglect its responsibilities or that the Congress refuses to take the expensive route of providing new United States Department of Agriculture appropriations, the alternative is the nonregulation which has persisted for 36 years and would continue under the protection of H.R. 9020.

Some supporters of H.R. 9020 may assert that the House Agriculture Committee was furnished no case-by-case history of abuses by the packing industry which were not corrected. The best demonstration of the truth of the proposition that there has been no regulation under the Packers and Stockyards Act is the fact that numerous nonpacker corporations, with presumably intelligent directors and other officers, have sought to qualify as packers by acquiring small packing operations and claiming immunity from the jurisdiction of the Federal Trade Commission and the statutes it enforces. This business attitude is sufficient proof of the charge of an inadequacy in the Packers and Stockyards Act and its enforcement without any further evidence.

Respectfully submitted.

HARLAN HAGEN.

HENRY ALDOUS DIXON.

GRAND PORTAGE NATIONAL MONUMENT, MINNESOTA

For text of Act see, p. 2107

Senate Report No. 2475, Aug. 19, 1958 [To accompany H.R. 11009]

House Report No. 2242, July 22, 1958 [To accompany H.R. 11009]

The Senate Report is set out.

Senate Report No. 2475

THE Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 11009) to provide for the establishment of Grand Portage National Monument in the State of Minnesota, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

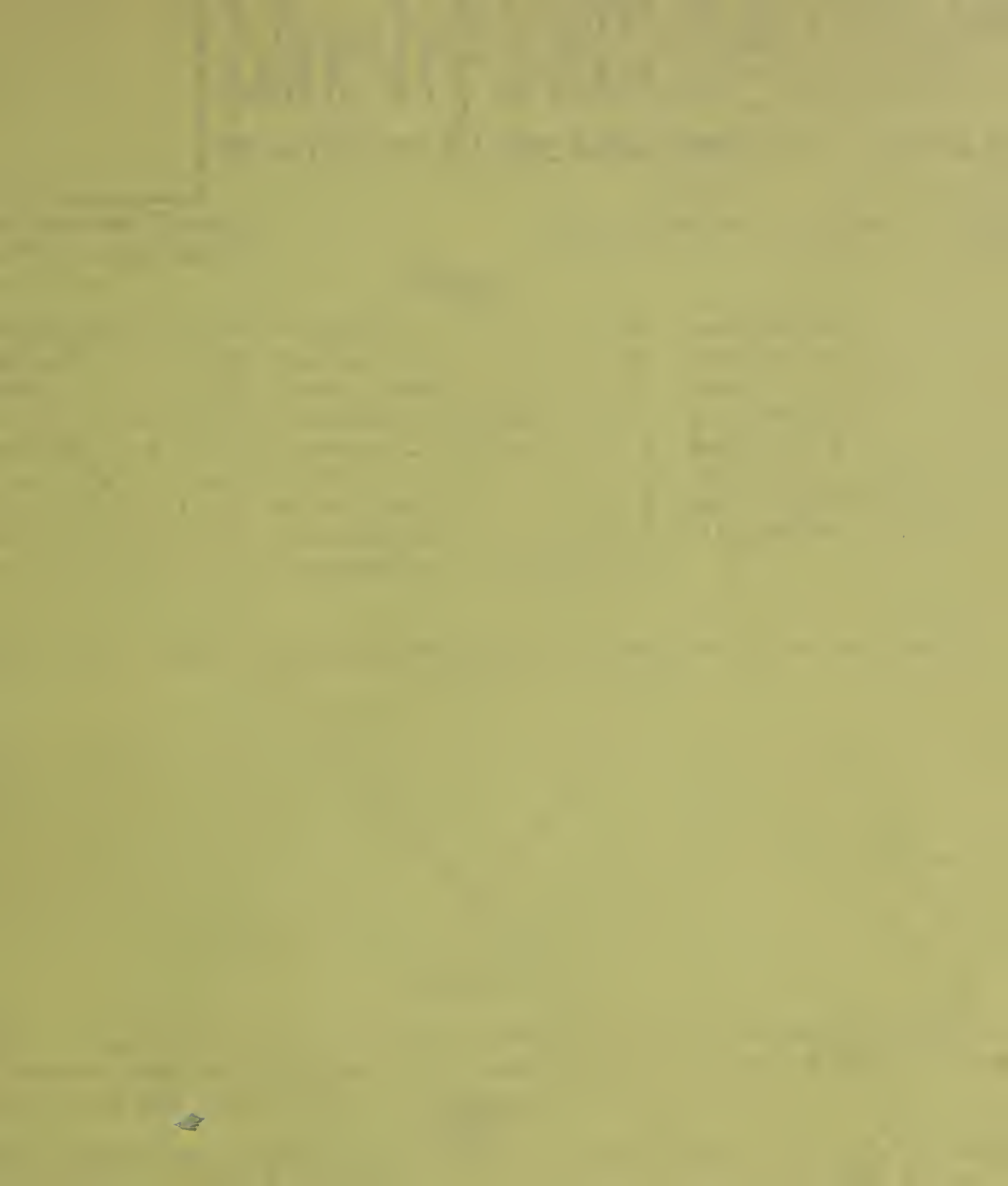
SUMMARY

Purpose

H.R. 11009 authorizes the establishment of the Grand Portage National Monument in the northeastern part of the State of Minnesota. The monument area, which is not now in Federal ownership, would comprise approximately 700 acres.

Need

The legislation would add to the national-park system and preserve for the enjoyment of the people of the United States certain portions of an



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 13, 1957
For actions of August 12, 1957
85th-1st, No. 145

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HIGHLIGHTS: Sen. Johnson announced Paarlberg nomination would be considered Aug. 13.

HOUSE

1. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee ordered reported with amendment H.R. 607, to increase the annuities payable to retired employees from the civil service retirement fund. p. D768

SENATE

2. ELECTRIFICATION. Passed without amendment H.R. 8643, authorizing improvement works in the Niagara River. This bill will now be sent to the President. pp. 13149-67

3. PERSONNEL. At the request of Sen. Purtell, passed over S. 25, to make wage-board employee pay raises retroactive to within 30 days of the start of the survey. p. 13087

At the request of Sen. Clark, passed over S. 2127, to reduce Federal Employee's Group Life Insurance only 1% a month after 65 (instead of 2%) and stop such reductions at 50% of the face value (instead of 25%). p. 13088

At the request of Sen. Clark, passed over S. 72, to increase annuities paid to certain civil service annuitants. p. 13088

At the request of Sen. Talmadge, passed over S. 734, to revise the basic compensation schedules of the Classification Act of 1949. p. 13088

At the request of Sen. Clark, passed over H.R. 2462, to increase Federal salaries 11%. p. 13101

4. SAFETY. At the request of Sen. Purtell, passed over S. 931, to reorganize the Government safety functions. p. 13087
5. WATER RESOURCES. Passed as reported S. 1086, consenting to a Utah-Wyo. Bear River compact. pp. 13095-9
At the request of Sen. Purtell, passed over S.Con.Res. 28, to print a compilation of materials on Columbia River Basin water resources. p. 13087.
Sen. Johnson pointed to the importance of an adequate flood control and water conservation program for Texas. p. 13102
6. LIVESTOCK; MONOPOLIES. At the request of Sen. Purtell, passed over S. 1356, to vest in the FTC jurisdiction over meatpackers for anti-trust purposes. 13088
Sen. Thye inserted telegrams supporting the minority views of the Judiciary Committee, and announced he would support the Dirksen amendment to S. 1356, which would leave jurisdiction in USDA, but prevent non-meatpackers from escaping jurisdiction of FTC. pp. 13104-5
7. APPROPRIATIONS. At the request of Sen. Talmadge, passed over H. J. Res. 426, to provide temporary appropriations for Aug.. p. 13088
8. ATOMIC ENERGY. At the request of Sen. Clark, passed over S. 2674, to authorize appropriations for AEC to aid in the construction of power reactors. p. 13089
9. PUBLIC LANDS. The Finance Committee reported without amendment H.R. 2237, to authorize the transfer of certain property of VA to the Johnson City (Tenn.) National Farm Loan Ass'n and the East Tenn. Production Credit Ass'n (S. Rept. 848). p. 13070
10. CASEIN. The Finance Committee reported without amendment H.R. 38, to amend the Tariff Act of 1930 to provide for the temporary free importation of casein (S. Rept. 846). p. 13070
11. FIBER. The Finance Committee reported with amendment H.R. 7096, to exempt istle or Tampico fiber from the Tariff Act of 1930 (S. Rept. 855). p. 13070
12. FOREST PRODUCTS. The Indian Affairs Subcommittee ordered reported to the Interior and Insular Affairs Committee S. 2131, to delay submission of plans for the future control and transmission of the trust property of the Menominee Indian tribe, Wis.. p. 13076
Sen. Neuberger inserted a series of articles on the Klamath Indian Termination Act and the problems involved in selling the timber rights of the Klamath Indians. pp. 13105-9
13. PERSONNEL. Received from G.S.A. a proposed bill to amend the Federal Property and Administrative Services Act of 1949 to provide for certain employee training; to the Government Operations Committee. p. 13069
14. FORESTRY. Sen. Morse inserted a letter from the Forest Service enclosing a circular letter directing foresters to publish an annual sales program in all cases where public interest in such plans exists. p. 13087
15. FOREIGN AID. Agreed to print a compilation of material on U.S. aid to foreign countries as S. Doc. 52. p. 13072
Sen. Smith, N.J., expressed his disappointment at the cuts made in the mutual security authorization bill, and inserted editorials opposing such reductions. pp. 3078-9

Mr. MORSE. Mr. President, I ask unanimous consent that I may have 1 more minute.

The PRESIDING OFFICER. Is there objection?

Mr. PURTELL. Mr. President, I shall not object, but I may say that I had understood the morning hour had been concluded. We of the calendar committees have been waiting around without the opportunity to get lunch, having had the understanding that there would be a call of the calendar.

There are certain rules which govern the morning hour. I shall not object to the request of the Senator from Oregon, but I think that out of consideration for the members of the calendar committees on both sides of the aisle we should proceed as quickly as we can to the call of the calendar.

FOREST SERVICE TIMBER SALES

Mr. MORSE. Mr. President, I agree with the Senator from Connecticut. So to stay within the rule, I desire to make a statement for the RECORD concerning timber sales and to place in the RECORD certain material. Then, within the 3 minutes allotted to me for that purpose under the rule, I shall make a further comment on the civil-rights bill.

On July 18, I placed in the RECORD a study by the Comptroller General on paperwork in the Forest Service timber-sale program. At that time I stated I would call upon the Forest Service to take action on the one point on which the Comptroller General recommended improvement.

Today I ask unanimous consent to have printed in the RECORD the reply I received from the Forest Service showing that they have instructed all of their offices to publicize the annual timber-sale plan where the timber-sale business is sufficient to justify it.

I am pleased with this prompt action, and I know it will be of material help to the lumber industry in planning to purchase national forest timber.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF
AGRICULTURE, FOREST SERVICE,
Washington, D. C., August 6, 1957.

HON. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: This is in reply to your letter of July 24 in respect to the report you obtained from the Comptroller General on paperwork in the Forest Service. Thank you for your kind remarks on this study.

Enclosed is a copy of a circular letter which is being sent to our field organization to emphasize our policy on preparation and public circulation of annual sales program. Thank you for bringing this matter to our attention.

Sincerely yours,

RICHARD E. MCARDLE,
Chief.

By V. L. HARPER.

Regional Foresters, All Regions.

DEAR SIR: At the request of Senator MORSE the General Accounting Office recently submitted a report on Forest Service timber sale paperwork. This report was inserted into the CONGRESSIONAL RECORD of July 18 (pp.

10904-10905). The GAO report raises no objections to the appraisal reports, contract forms and other types of sales records. The report does point out there is no overall Forest Service procedure which requires timber sale plans to be prepared and publicized in advance. Even though there is nothing in the Forest Service Manual to cover this specific point, we are sure that the Forest Service policy to publicize annual timber sale programs is well understood by the field organization. Most regions have instruction on preparation and circulation of annual sales plan in their regional supplements to the Forest Service Manual. The purpose of this circular letter is to be sure that all regions and all forest supervisors clearly understand the policy of the Service is to prepare and circulate annual sales programs in all areas where there is sufficient timber business and public interest to justify the procedure. A manual revision on this matter will be prepared in due course.

We do not plan to make the circulation of annual sales programs a rigid requirement for every forest. There are a few forests where the volume of timber sales is so minor and their sales activity is such a relatively small proportion of the total economic activity in their dependency zone that interest in Forest Service sales is of little consequence. However, we want to emphasize that each region should see to it that all forests do prepare and publicly circulate their annual sales program if there is practical possibility of general interest in it.

Sufficient copies of this circular are being furnished for distribution to all forest supervisors.

Very truly yours,

RICHARD E. MCARDLE,
Chief.

By V. L. HARPER.

CIVIL-RIGHTS BILL

Mr. MORSE. Mr. President, speaking within the 3-minute limitation under the rule, I point out in reply to my friend from Wyoming that for many decades the courts have been exercising their powers to protect the integrity of the courts without jury trials in contempt cases. No legislation is needed to change that practice. However, legislation is needed to require a jury trial in contempt cases. That is exactly what the Senator from Wyoming [Mr. O'MAHONEY] succeeded in passing through the Senate. If it becomes law it will strike a serious blow against the power of the courts to protect the integrity of our judicial process.

THE CALENDAR

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The hour of 1 o'clock having arrived, morning business is concluded.

Under the unanimous-consent agreement, the call of the calendar of bills and other measures to which there is no objection, beginning with Calendar No. 11, is in order; and the clerk will proceed with the call.

BILLS AND OTHER MEASURES PASSED OVER

The concurrent resolution (S. Con. Res. 2) to create a joint congressional committee to make a full and complete study and investigation of all matters

connected with the election, succession, and duties of the President and Vice President, was announced as first in order.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the unanimous-consent agreement previously entered, the calendar of bills and other measures to which there is no objection is now being called; and Calendar No. 11, Senate Concurrent Resolution 2, has been announced as first in order.

Mr. TALMADGE. Mr. President, in view of the fact that all the bills and other measures on the calendar beginning with Calendar No. 11 and extending through Calendar No. 302, Senate bill 25, will be objected to, I ask unanimous consent that the call of the calendar begin with Calendar No. 389.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and Calendar No. 389 will be stated.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 25) relating to effective dates of increases in compensation granted to wage board employees was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 931) to provide for the reorganization of the safety functions of the Federal Government, and for other purposes, was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (S. Con. Res. 28) to print a compilation of materials relating to the development of the water resources of the Columbia River and its tributaries was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

The bill (S. 98) to provide for the establishment and operation of a mining and metallurgical research establishment in the State of Minnesota was announced as next in order.

Mr. BARRETT. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2406) to authorize the construction of certain works of improvement in the Niagara River for power, and other purposes, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1386) to authorize the Interstate Commerce Commission to pre-

scribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of power on train brakes, was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2377) to amend chapter 223, title 18, United States Code, to provide for the production of statements and reports of witnesses, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

REVISION OF TRIBAL ROLL OF THE EASTERN BAND OF CHEROKEE INDIANS, NORTH CAROLINA

The bill (H. R. 4830) to authorize revision of the tribal roll of the Eastern Band of Cherokee Indians, North Carolina, and for other purposes, was announced as next in order.

Mr. BARRETT. Over.

Mr. PURTELL. Mr. President, the only reason why the minority calendar committee ask that the bill be passed over is that those of us who serve on the committee believe that this bill is not proper Consent Calendar business. For that reason, we have asked that the bill go over.

Mr. ERVIN. Mr. President, is not this bill Calendar No. 578?

The PRESIDING OFFICER. It is.

Mr. ERVIN. I request that the Senators who have objected withhold their objection for a moment.

Mr. PURTELL. Mr. President, I ask that the clerk again read the title of the bill.

The PRESIDING OFFICER. The title of the bill will again be read.

The LEGISLATIVE CLERK. Calendar No. 578, House bill 4830, to authorize revision of the tribal roll of the Eastern Band of Cherokee Indians, North Carolina, and for other purposes.

Mr. PURTELL. Mr. President, I withdraw the objection; I have no objection.

Mr. ERVIN. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4830) was considered, ordered to a third reading, read the third time and passed.

BILLS AND OTHER MEASURES PASSED OVER

The bill (H. R. 7383) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, the remarks I made a moment ago apply to this measure, Calendar No. 579. I object, for the reason that those of us on the minority calendar committee believe that the bill is not proper Consent Calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (S. 2150) to revise the Federal election laws, to prevent corrupt prac-

tices in Federal elections, and for other purposes, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 491) for the relief of Joanne Lea (Buffington) Lybarger was announced as next in order.

Mr. PURTELL. Mr. President, not because we do not believe the bill is meritorious, but because the minority calendar committee believe the bill involves issues such as the determination of what should be done with private funds of which the Congress acts only as trustees, we ask that the bill be passed over at this time, and later be brought up by motion, rather than be considered during the call of the Consent Calendar. Therefore, Mr. President, I object.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (S. 1356) to amend the anti-trust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes, was announced as next in order.

Mr. PURTELL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2127) to amend section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954 relating to the reduction in amounts of insurance of persons over the age of 65 was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4240) for the relief of Cornelia S. Roberts was announced as next in order.

Mr. PURTELL. Mr. President, I ask that the bill go over, for the reason that the minority calendar committee believe the bill would establish a precedent. The bill has great merit, and probably it will be brought up later by motion.

The PRESIDING OFFICER. Objection having been heard, the bill will be passed over.

The bill (S. 27) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 2474) to increase the rates of basic salary of employees in the postal field service was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1168) to amend the Securities and Exchange Act, as amended, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 118) to amend rule XXVI so as to require committee reports proposing legislation or ratification of treaties, involving expenditures of

public funds, to show the estimated costs thereof, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 72) to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1733) for the relief of Philip Cooperman and others was announced as next in order.

Mr. PURTELL. Mr. President, this is another bill which the minority calendar committee believe to have much merit; but, again, we believe it is not proper Consent Calendar business, but should be brought up by motion. Therefore, Mr. President, I object.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6282) for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (H. J. Res. 426) amending a joint resolution making temporary appropriations for the fiscal year 1958, and for other purposes, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

CONVEYANCE OF CERTAIN LANDS TO THE CITY OF GLOUCESTER, MASS.

The bill (S. 113) for the conveyance of certain lands of the United States to the city of Gloucester, Mass., was announced as next in order.

Mr. TALMADGE. Over.

Mr. PURTELL. Mr. President, will the Senator from Georgia withhold his objection, so that I may submit an amendment?

Mr. TALMADGE. I withhold the objection at this time, reserving my right to object later.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1113), which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 1, line 3, after the word "the", to strike out "Secretary of the Treasury" and insert "Administrator, General Services Administration".

The amendment was agreed to.

this time Senators may make statements not to exceed 2 minutes in connection with insertions in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SIGNIFICANT NEW EXPOSÉ OF INTERNATIONAL COMMUNISM BY MILOVAN DJILAS, WHO BROKE WITH THAT SYSTEM IN YUGOSLAVIA—BOOK REVIEW FROM NEW YORK TIMES

Mr. NEUBERGER. Mr. President, the greatest and most compelling testament against any evil doctrine is the verdict of a man or woman who formerly temporarily succumbed to that doctrine. Such a testament has now been offered to the world in the significant new book written by Milovan Djilas, who was once a ruler of Yugoslavia under the Communist system.

The title of the book by Djilas is "The New Class: An Analysis of the Communist System." This is the work of a man who was at one time a dedicated and passionate Communist, a believer in that system of economics and of government. He was President of the Yugoslav Parliament. He was an heir-apparent to Tito's epaulets.

Gradually, Djilas became disillusioned with the system that had brought him power and fame. He visited free countries such as Britain, France, and Burma. He found himself hard put to defend communism against a way of life which permitted people to choose their own rulers.

And so Djilas broke with communism. Today he is in prison in Yugoslavia, where he is a symbol of resistance to tyranny and dictatorship. His book has stirred intellectuals and other thinkers all over the free world, because it is one of the most impressive treatises against communism of our time. It is from a prison cell and not from some remote library or study.

Mr. President, for these reasons I believe there should be called to the attention of the Senate a significant book review from the New York Sunday Times of August 11, 1957, written by Jack Raymond, who was a New York Times correspondent in Yugoslavia and the Soviet Union, and now is on the Washington staff of that newspaper. Mr. Raymond has reviewed the book by Djilas, *The New Class: An Analysis of the Communist System*.

Mr. Raymond emphasizes that Djilas believes communism is the chief obstacle to world unity and understanding. We of the Senate, who have to live with this menace whenever we consider appropriations for national defense or support for mutual security, should take note of the significant new book by a 45-year-old patriot, who had the courage to break with communism even though his break deprived him of pomp and position and brought him only the narrow torture of a prison cell.

The courageous and enlightened views expressed by Djilas, in his challenge to the Communist system, fortify me in my decision to join with the junior Senator from Pennsylvania [Mr. CLARK]

and some other Americans in urging Yugoslav authorities to give Djilas his freedom, and to liberate this man who has refused further to accept the doctrines and dogmas of communism.

Mr. President, I ask unanimous consent that Mr. Raymond's review be printed in the RECORD, together with the lead editorial from the Washington Post of August 12, 1957, which is entitled "Death by Dialectic," and analyzes the possible influences of this book on political thought.

There being no objection, the book review was ordered to be printed in the RECORD, as follows:

[From the New York Times of August 11, 1957]

REBEL AGAINST A WORLD HE MADE—FROM A YUGOSLAV PRISON, DJILAS STRIKES AT THE ROOTS OF COMMUNISM EVERYWHERE

(The New Class: An Analysis of the Communist System. By Milovan Djilas. Translated from the Serbo-Croatian. 214 pages. New York: Frederick A. Praeger.)

(By Jack Raymond)

Once Marshal Tito's heir-apparent and now most troublesome prisoner, Milovan Djilas has written a crushing indictment of Communist rule, on its own terms, often in its own language and employing the Marxist dialectical method. Djilas was no messenger boy on the fringes of conspiracy. He was a manipulator of power, a frequenter of the Kremlin and afterward Stalin's recognized ideological adversary.

He was one of the oligarchical quadrumvirate to whom red-starred Yugoslav partisans sang, "Tito, Karelj, Djilas, and Rankovich, we will follow wherever you lead." This background and the author's clarity of expression, make "The New Class: An Analysis of the Communist System," one of the most compelling and perhaps most important sociological documents of our time.

In simple and frequently eloquent language, Djilas seizes the major premises and conclusions not only of the modern Communists but of the giants of the past—Marx and Lenin—and shatters these as lies and errors. He holds a mirror to the nature of communism as it really is—"a form of latent civil war between the government and the people." The author never wrote so informatively as a Communist propagandist; among other things, this volume is a fine example of how lucid a man's thoughts can be when they reflect his true convictions. One must recall the fuzzy appeals for democratization he published in the official newspaper *Borba* in the summer and fall of 1953 to feel the difference between the rationalization of a doubter and the emphatic stand of one who feels and tells the truth.

The Djilas story is cogently illustrated by an incident that occurred in the fall of 1953 during one of Yugoslavia's one-party election campaigns. Djilas, then vice president in charge of propaganda and education, was asked by foreign correspondents whether he, Tito, and the other rulers thought they could win a western-style free election. When he replied affirmatively, the correspondents chorused: "Then why don't you have free elections?"

"We think we would win—but we are not sure," he added, a boyish grin spreading over his pale, triangular face beneath the thick, curly hair.

Elected to Parliament that year by 99.8 percent of his Montenegrin constituency and, on Tito's recommendation, named President of that body, Djilas never took office. Spurred by conscience pangs that had been aroused in the Yugoslav condemnation of Stalin's despotism, he published a series of articles against Communist-ruled bureaucracy in Yugoslavia. Also, his political equi-

librium had been upset during visits to democratic countries. There he had found himself continuously on the defensive while arguing with British, French, Burmese, and other Socialists.

At that time, Tito was engaged in an intensive courtship of the West, particularly the Socialists. Although some of Djilas' articles appeared extreme—he suggested that Communists might not be necessary to bring about socialism—Tito let him go on writing. A practical man, Tito didn't mind the impression gaining currency abroad that Yugoslavia was heading toward some form of democracy. So long as he continued to rule through the party, Tito could countenance his ambassador in London citing Djilas during diplomatic negotiations. Anyway, Djilas was a known maverick.

As Djilas appealed for more and more democracy, he also spoke out against the bourgeois types who insisted upon saying "mlster" instead of "comrade" when addressing each other in public. Finally, a foaming, ill-mannered essay on the snobbery and social habits of his colleagues' wives proved Djilas' undoing. With an exasperated Tito presiding as chairman, he was kicked out of the ruling central committee and stripped of his government posts. The party press solemnly announced that Djilas' constituency had unanimously voted his recall.

Thereafter, living in isolation and penury, on the clerk's salary of his wife, the now thoroughly embittered Djilas turned to the foreign press when his own was closed to him. The partisan war hero who had never wiped off the caked Nazi blood on his sword refused to be silenced despite ominous warnings. Last January, after criticizing Tito's endorsement of the Soviet suppression of the Hungarian revolt, he was sentenced to 3 years' hard labor.

In the meantime, he finished his book *The New Class*, which was smuggled out of the country. He could have written a juicy exposé of the Yugoslav regime he helped to install and to rule for 9 years. Instead, having always had a philosophic flair, he chose to expose communism itself. He calls himself a Social Democrat now but does not offer any political program of his own. He is concerned only with a clinical description of communism as a system, pointing out, "no other revolution promised so much and accomplished so little."

The central theme of the book is simple. It resembles the Yugoslav leaders' ideological argument against Stalin's Cominform. But Djilas says that not only the Russian but any Communist regime must turn despotic. Party monopoly and ownership of all the means of production inevitably create a self-perpetuating bureaucracy that is the core of a new exploiting class.

It is apparent, he says, that "all changes initiated by the Communist chiefs are dictated first of all by the interests and aspirations of the new class which, like every social group, lives and reacts, defends itself and advances, with the aim of increasing its power." Nor does the elimination of the chief despot end the cycle. The author notes that "when a palace revolution actually took place after Stalin's death, it could be seen that the essence had not changed; something deeper and more lasting was involved." The effort to change the character of communism in Yugoslavia is illusory too, Djilas adds. Khrushchev, who was frightened by the institution of workers' councils as a threat to the authority of the party organization, can take Djilas' word for it. The Yugoslav party runs the workers' councils as it runs everything else. "Clearly in an unfree society, nobody can freely decide anything," the author points out.

He describes the technique of party rule behind the facade of Government, the fumbblings of the planners who must combat the slow, unproductive work of disinterested

millions, and the Communist primacy of politicians over the military. As a matter of fact, he notes, if a military dictatorship were to supplant a political one, it would be a step toward freedom. Having himself imposed it and suffered it, Djilas is most informed and eloquent when he rails against the Communist tyranny over the minds of people. Yet, "even under communism, men think, for they cannot help but think," he reports. But "their thinking has two faces—one for themselves, their own; the other for the public, the official."

Frequently those who visit Communist countries ask, "How do the Communists rule, everything seems so placid, there are no guns in sight?" Djilas explains, "The mechanics of Communist power is perhaps the simplest which can be conceived, although it leads to the most refined tyranny and the most brutal exploitation. The simplicity of this mechanism originates from the fact that one party alone, the Communist Party, is the backbone of the entire political, economic, and ideological activity. * * * Laws and regulations do not have an essential importance. * * * Regardless of laws, everyone knows that the Government is in the hands of the party committees and secret police. * * * Everyone knows what can and cannot be done, and what depends on whom. People adjust to the environment and actual conditions."

Djilas concludes on a note of hope and optimism. Ironically, he has discovered that communism is the chief obstacle to world unity for which the rest of the world is striving. But, still young at 45 and intellectually undaunted, he forecasts achievement of that unity, a unity of variations rather than sameness, and ever-growing expansion of progress and freedom that will not be stopped either by brutal force or theory.

This book may prove a bombshell in Eastern Europe, as some have asserted, but it should be noted that the possibilities of its distribution there are limited. Besides, the people living in Communist lands already know the truth about their plight. Where this volume should count heavily, however, is in the so-called uncommitted areas of the world, where Communist slogans have placed treacherous temptations in front of newly stirring political groupings. And even in this country, it can be invaluable to any of our leading representatives who have trouble refuting Communist arguments about idealism.

"Ideas, philosophical principles, and moral considerations, the nation and the people, their history, in part even ownership—all can be changed and sacrificed," says the author of communism. "But not power. Because this would signify communism's renunciation of itself, of its own essence."

One wonders what Marshal Tito will do about his former comrade Djilas, now sitting in Srenca Mitrovica jail, perhaps in the same cell he occupied for 5 years under pre-war Royalist jailers. When Djilas first fell, Tito boasted that he did not execute him. "My circumstances are, at best, uncertain," writes Djilas in his preface, a touching bit of understatement by an often arrogant but always brave polemicist, grandson of a Montenegrin mountain rebel.

[From the Washington Post of August 12, 1957]

DEATH BY DIALECTIC

The treatise by Milovan Djilas—Marshal Tito's former friend and comrade and present prisoner—which was somehow smuggled out of Yugoslavia, is described by the American publisher as an "Anti-Communist Manifesto." In reality the New Class is something even more important than that. It is a death blow to philosophic communism devolved entirely from Marxist premises

and delivered through purely Marxist reasoning. Its effect, therefore, upon wavering party members outside the Soviet orbit and upon their remaining fellow travelers is beyond all calculation.

From the Communist Manifesto (1848) of Marx and Engels we may perceive precisely what is meant by dialectical materialism, or the translation of Hegel's formula of thesis-antithesis-synthesis from metaphysical into materialistic terms. History is conceived as a continuous process of revolution, determined wholly by the play of economic forces. By historical necessity every ruling class (thesis) creates the conditions which make possible its overthrow by the class (antithesis) immediately beneath it, which thereupon constitutes itself as the new ruling class (synthesis).

However, one great weakness of the dialectic has been the logical difficulty the Marxists have found in explaining why this historical process, which is apparently inherent in their totally materialistic universe, should not continue after the predestined victory of the proletariat. In other words, what assurance is there that the "class-conscious" proletariat—as distinguished from the dialectically uninstructed mass of workers, or lumpen-proletariat—will not set itself up as still another ruling and oppressing class? The Marxist's answer of course is their utopian vision of the "classless society" in which time, history, and determinism will have come to an eschatological end.

The trouble with this argument is that the principal instrument by which (according to Marxist theory) the historical ruling classes have endeavored to perpetuate their own economic ascendancy is the political power—in a word, the state. Yet the seizure and monopoly of political power is also to be the device whereby the proletariat will consummate its triumph. This is what led Eugen Duehring and other anarchistically minded critics of Marxism to assert that the Marxist formula, if ever realized, would lead only to a form of autocracy and tyranny worse than the worst that history had yet known. It was Dr. Duehring's criticisms that prompted Engels to come forward with the notion that after the abolition of private property and of the profit motive the function of the State would become obsolete and that the political power would accordingly wither and die.

Now the substance of Comrade Djilas' argument—confirmed by the experience of almost 40 years—is that Duehring (though the name is not mentioned) was right and that Engels was wrong. The Communist triumph in Russia and elsewhere, so far from having brought an end to the class struggle, has only intensified it. The Communist Party and its bureaucracy have constituted themselves into a new class of owners and exploiters whose political power has penetrated into every pore of human life. The fact that under communism ownership of property is theoretically collective should not blind us to the monopolistic reality or to the oligarchic nature of owners:

"To be an owner or joint owner in the Communist system (says Djilas) means that one has entered the ranks of the ruling bureaucracy and nothing else. * * * Open at the bottom the new [Communist ruling] class becomes relentlessly narrower at the top. Not only is desire necessary for the climb; also necessary is the ability to understand and develop doctrines, firmness in the struggle against antagonists, exceptional dexterity, and cleverness in intraparty struggles and talent in strengthening the class."

Indeed life at the narrow top of the Communist hierarchy—the rarefied stratum that, when Djilas wrote, was still populated by Khrushchev, Molotov, Malenkov, and Shepilov—sounds, as Comrade Djilas describes it, very much like a reversion to the "state of

nature" as represented by Thomas Hobbes in the Leviathan wherein there was "no mine and thine distinct but only that to be every man's that he can get for so long as he can keep it." At the bottom of the Communist pyramid, however—among those "children of starvation, the wretched of the earth," in whose name the party has professed to speak—there is nothing but "despair and hatred," hatred especially of the party and its hierophants; so that the plain inference is that the very same forces which, according to Marx and Engels, predestined the triumph of communism (much as Hobbes' anarchic "state of nature" gave rise to absolutism) also predestine its death and destruction.

The doctrine of the "dictatorship of the proletariat"—that, theoretical interregnum between the revolution and the "withering away of the state"—has proved to be merely part of the process toward personal dictatorship.

"There is a constant tendency (exemplified in many historical analogies) to transform an oligarchic dictatorship into a personal dictatorship. * * * The leader who succeeds in getting to the top, along with his assistants, is the one who succeeds in most logically expressing and protecting the interests of the new (ruling) class. * * * But there is a specific and pure Communist reason for personal dictatorship: authority, (i. e., power) is the basic aim and means of communism and of every true Communist. The thirst for power is insatiable and irresistible among the Communists. Victory in the struggle for power is equal to being raised to a divinity; failure means the deepest mortification and disgrace. * * * Stalin, like every other Communist dictator, was aware that a retreat from the ideological bases of the party, from the monopolism of the new class, from the ownership of the nation's good, or from the totalitarian power of the oligarchy, would result in his inevitable downfall. Indeed, no such retreat was even considered by Stalin, as he was the foremost representative and creator of the system. * * * The fact emerges that in the Communist system no one is independent, neither those at the top nor the leader himself."

This goes also for national communism, that paradoxical phenomenon of which, until recently, Djilas' compatriot and comrade, Tito, was the most eminent exemplar. National communism, according to Djilas, is a contradiction in terms; for where it cannot be enforced like Soviet communism by a ruthless dictatorship it can only lead "toward renunciation of communism itself or toward the disintegration of the Communist Parties. * * * In reality, national communism is communism in decline."

You will recall, no doubt, that it was Djilas' essay on the Hungarian insurrection—which he interpreted in Marxist terms as the beginning of the end of the Communist epoch in history—that brought about his rearrest and imprisonment at Tito's order. What will happen to him as the result of the publication of this earlier but more elaborate treatise we must wait to discover. Meanwhile there is no doubt that this book is comparable in its potential influence on political thought to the Communist Manifesto itself.

FEDERAL TRADE COMMISSION JURISDICTION OVER CERTAIN MEATPACKING ESTABLISHMENTS

Mr. THYE. Mr. President, Calendar No. 706, S. 1356, is a bill to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction over meatpacking establishments operating in interstate commerce.

This bill was reported to the Senate by the Judiciary Committee on July 24 with majority and minority views. The minority views submitted by the Senator from Illinois [Mr. DIRKSEN], the Senator from Indiana [Mr. JENNER], and the Senator from Maryland [Mr. BUTLER] support the so-called Dirksen amendment to S. 1356.

The Dirksen amendment would leave in the Department of Agriculture the jurisdiction over trade in interstate commerce by meatpacking establishments. It would also amend the Packers and Stockyards Act so as to prevent certain other business operations from exempting themselves from jurisdiction of the Federal Trade Commission through conducting a token meatpacking operation.

Mr. President, it is my intention to support the Dirksen amendment to S. 1356 when it is taken up for consideration on the Senate floor. I have studied the matter thoroughly and in my opinion the amendment offered by the Senator from Illinois more closely accomplishes the purpose which was intended by the introduction of this legislation without divorcing an agricultural industry from the Department of Agriculture where it more properly belongs.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point in my remarks a letter and certain telegrams which I have received indicating support for the views of the minority of the Judiciary Committee.

There being no objection, the letter and telegrams were ordered to be printed in the RECORD, as follows:

NORTHFIELD, MINN., August 9, 1957.
Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR MR. THYE: I believe that there is a bill being considered which would take meatpackers out of the Department of Agriculture and put them into the Federal Trade Commission.

I don't believe that this is the proper thing to do, because meatpacking is pretty close to the farm and it seems to me that the Department of Agriculture would be best able to regulate the meatpackers; also the Federal Trade Commission might not look out for us that market and raise livestock.

Yours very truly,

CASPER PETERSON.

WEST CONCORD, MINN., August 9, 1957.
Senator EDWARD J. THYE,
United States Senate Building,
Washington, D. C.:

I understand there is a bill now being considered which would take the regulation of meatpackers away from the Department of Agriculture and put it under the control of the Federal Trade Commission. I don't think this is the correct thing to do because meatpacking is very close to the farm and it seems that the agency looking over farm and agriculture problems should be best equipped to regulate the meatpackers also the Federal Trade Commission might look out only for the consumer and tend to forget those of us who raise and market the livestock.

SANDEM SENJEM.

ALBERT LEA, MINN., August 9, 1957.
Hon. Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

We are concerned over Senate bill 1356 transferring jurisdiction of meatpacking industry trade practices from United States

Department of Agriculture to Federal Trade Commission. Those who are primarily and principally engaged in meatpacking are an integral part of the country's agricultural economy and should remain under the control of the United States Department of Agriculture. We respectfully urge your support of Dirksen amendment to S. 1356 which would make it impossible for concerns such as grocery chains who conduct only a minor packinghouse operation to avoid Federal Trade Commission jurisdiction over their principal business activities. As a Senator representing one of the country's leading livestock-growing States your active support of the Dirksen amendment will best serve the public interests of Minnesota.

WILSON & Co., INC.,
H. B. HOUSH,
General Manager.

MONTEVIDEO, MINN., August 10, 1957.
Senator THYE,
Senate Office Building:

I hear there is a bill coming up which would move the regulation of the meatpackers from the Department of Agriculture to the Federal Trade Commission. I am against this bill because the meatpackers are in close contact with the farm and I believe that the department responsible for farm and agricultural problems should be the ones to regulate the meatpackers. Also I am inclined to think that the Federal Trade Commission is apt to favor the consumer in the relation to those of us who produce market and produce livestock.

B. E. BONN,
First National Bank.

ST. PAUL, MINN., August 9, 1957.
Senator EDWARD THYE,
Senate Office Building,
Washington, D. C.:

We believe the interest of the livestock producer is best served by jurisdiction over meatpackers being left under the Department of Agriculture, who supervise and regulate public stockyards. Your vote against transfer to Federal Trade Commission will be appreciated.

A. L. OLSON,
President, St. Paul Union Stock-
yards Co.

ST. PAUL, MINN., August 9, 1957.
Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.:

In regard to S. 1356, transferring jurisdiction over packers from USDA to FTC, strongly urge you to oppose this bill. Farmers want control in Department of Agriculture.

J. L. MORTON,
President, Minnesota Farm Bureau
Federation.

PRESTON, MINN., August 10, 1957.
Hon. EDWARD J. THYE,
United States Senator,
Washington, D. C.:

Information has been brought to my attention that there is a bill under consideration whereby the regulation of the meat packing industry would be taken away from the Department of Agriculture and put under control of the Federal Trade Commission. This seems entirely wrong to me as I believe that meat packing and livestock farming, being so essential to each other, should both be advised and regulated by the same department which is and should be the Department of Agriculture. Also the Federal Trade Commission might be inclined to forget about us fellows that are producing and marketing the livestock and look out for the consumer only.

Sincerely,

HILMAN ERICKSON,
PRESTON, FILLMORE COUNTY, MINN.

EDGERTON, MINN., August 10, 1957.
Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.:

Take close look at bill that will take regulation of meat packers out of Department of Agriculture and put it under Federal Trade Commission. Trade Commission may not look from farmers' point of view. We don't want to lose any advantage the packers may be able to give us.

JOHN L. OLSON,
WORTHINGTON, MINN.

ELMORE, MINN., August 10, 1957.
EDWARD J. THYE,
Senator, Washington, D. C.:

Understand a bill to transfer regulation of meat packers from United States Department of Agriculture to FTC is pending. We feel this may harm rather than help the great livestock industry.

C. W. MEYERS,
Director, Minnesota Swine Producers.

JACKSON, MINN., August 10, 1957.
Senator ED J. THYE,
United States Senator,
Washington, D. C.:

I understand there is a bill under consideration which would take regulation of meat packing out of the Department of Agriculture and put it under Federal Trade Commission. I don't think this is the way to do it, because meat packing is pretty close to the farm and it seems that the agency that looks into farm and agriculture problems ought to be best able to regulate the meat packers. Although the Federal Trade Commission might look out for the consumers and tend to forget those of us who raise and market livestock.

ELDON H. SUMMERS.

Mr. THYE. Mr. President, the letter and telegrams to which I have referred are from some of the most prominent agriculturalists in the State of Minnesota, and also from some business people who are vitally concerned with the question involved in the bill. For that reason, I have asked unanimous consent that the letter and telegrams be printed in the RECORD as a part of my remarks.

PROBLEMS OF KLAMATH INDIAN TERMINATION—ARTICLES IN EU- GENE REGISTER-GUARD

Mr. NEUBERGER. Mr. President, the Eugene Register-Guard, one of the major newspapers in my State, has published a series of well-documented articles by staff reporter William Dean on the problems involved in the termination of Federal supervision over the Klamath Indian Reservation. As chairman of the Indian Affairs Subcommittee of the Senate Committee on Interior and Insular Affairs, these stories have been of particular significance to me because they effectively outline the many questions of public policy which were not at all resolved by the original termination act and are now coming to light 3 years later.

Congress last week completed action on my bill, S. 469, which postponed the termination date for the Klamath Indians and authorized the Federal Government to compensate the tribe for at least a portion of the costs involved in preparation for the end of Federal supervision. I have also introduced, on behalf of myself and Senator MORSE, legislation providing for acquisition by the United

States of tribal lands of the Klamath Indians. I believe that enactment of this bill, S. 2047, is an essential step for the protection of the economy of this area of Oregon and the preservation of good conservation practices in the Klamath River Basin.

The Eugene Register-Guard should be commended for its efforts to analyze the issues at stake in termination and present the views and opinions of those who are working on this problem. Although I do not endorse all the statements and comments contained in these articles, I think that they are worthy of close study by Members of Congress who must decide the questions involved, and I, therefore, ask unanimous consent that the first four stories by William Dean in this series be printed in the body of the RECORD. They were published in Eugene, Oreg., on August 4, 5, 6, and 7, 1957.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Eugene (Oreg.) Register-Guard of August 4, 1957]

SECOND LOOK NEEDED—WEAK POINTS FOUND IN KLAMATH INDIAN TERMINATION ACT

(EDITOR'S NOTE.—The Klamath Indian Reservation in southern Oregon is one of the first in the Nation to come under a relatively new Government policy to terminate supervision of the Indians. Termination has been in process for 3 years. This and following articles are a report on the progress of this program.)

(By William Dean)

At the junction of United States Highway 97 and Oregon 230, a few miles south of Chemult, there is this sign: "No hunting allowed—Klamath Indian Reservation."

For more than 50 miles south of this sign—south beyond Modoc Point on Upper Klamath Lake—the high plateaus, the hills and valleys belong to the Klamath Indians.

This million acres is land kept back by 3 tribes of Indians when they relinquished their ownership of the 20 million over which they had roamed for thousands of years. It is rich land of ponderosa pine, aspen groves, marshes alive with waterfowl, and of grassy range which can support thousands of cattle. It is land of plentiful water. Today, in midsummer, this land east of the Cascade Mountains is greener than the often rain-drenched Willamette Valley.

Living here in towns like Chiloquin, or communities like Sprague River and Beatty, are 1,300 descendants of the Klamath and Modoc Tribes and of the Yahooskin Band of the Snake Indians. Another 700 who can trace their ancestry back to these original owners of the Klamath Basin live off the reservation—in Klamath Falls, Malin, Eugene, or Springfield, and in 18 other States.

These 2,000 people and this million acres of rich land are proving an old adage:

"You can't do anything by just passing a law and waving your arm."

ASSUME FULL RESPONSIBILITY

Yet, that is what the Federal Government set out to do in August 1954. At that time the Interior Department proposed, and Congress passed, a law which said that by August 13, 1958, the Government would terminate its trusteeship over the persons and property of the Klamath Indians. On that date next August the Indians were to assume more than just the full rights of legal citizenship, which they already have been granted. They were to assume full responsibility for their own personal welfare. Those who couldn't manage their own affairs, children and incompetents, were to be protected by the laws of Oregon.

The termination act, Public Law 587, was passed 3 years ago. Since that time the Klamaths have been put through the wringer of emotional stress and near-violence probably unparalleled in a stormy history of internal conflicts.

Today, a few days more than a year before the original termination date, most of the procedures which were to have led to complete emancipation for the Indian have ground to a halt, or they have developed critical weaknesses.

Today the contrasts between the visible intent of the law and conditions on the reservation lead one to wonder whether Public Law 587 was designed for the Klamath Indians or some other group.

These contrasts between the law and the reservation to which it was supposed to apply have caused Congress to take a second look at termination. A week ago a Senate-House conference committee adopted amendments to Public Law 587 which will delay until 1960 the termination date, and will make other changes in the program.

FURTHER STUDY NEEDED

One reason for the delay is to give the Congressmen a chance to study termination in the light of what is now known about the Klamaths. But delay may not provide a real solution to the dozens of complex problems which affect not only the Klamaths but, in some degree, most of the people of Oregon.

When Congressmen take another look, these are some of the things they will find on the Klamath:

A population held together only by the tenuous thread, often microscopically thin, of blood-lines and by an equity in common property. This tribally owned property holds a different value for one group than it does for another. The people themselves are legally and administratively considered a race somewhat different from the rest of us—and they are a people who, among themselves, have progressed toward civilization at tremendously different rates.

The Klamaths are divided in the public eye by two strongly entrenched and determined factions. Neither opposes termination—but, led by men who have been in personal conflict over the last 20 years, they are unable to agree on how soon or in what from they want termination. A major number of the Klamaths, those who refuse to be identified with either faction, nevertheless are torn and confused by the cross-currents of the fighting.

Tribal government, never a strong influence on the Klamath, now has deteriorated to a point of almost complete failure.

Many Indians feel that they and their children have been made sitting ducks who will be exploited or legally robbed of their estates in the termination process. The tribal executive committee threatened a boycott against the Klamath County legal profession because of a special guardianship fee schedule established by the county bar association.

Non-Indians of the Klamath Basin look with genuine concern, and in a few cases with anticipation, toward the day when the Indians receive their shares in the \$100 million reservation. Many fear the money will be blown within a short time. This would leave the Indian with neither the means nor the background with which to support himself, and will present the Klamath Basin and Oregon with a far greater problem than it has now.

Finally, Congressmen will find that many of the men who have been hired to work on the termination program are fearful of its effects. In a report which has never been released by the Interior Department, two of these men have said that Congress was misled about conditions on the reservation and the capacity of a majority of the Klamaths to assume personal responsibility.

Public Law 587 turned out to be the key to Pandora's box—once the box was opened

these and many of the other ills of life on the Klamath reservation began to come into the open.

Today, even the men who have contracted to carry out a major part of the termination program are finding themselves in contradictory positions.

One of the men is Eugene Favell of Lakeview. He said recently in his Klamath Falls office that he and his coworker, T. B. Watters of Klamath Falls are " * * * meeting ourselves coming around the corners."

These men, with William Phillips of Salem, contracted with the Secretary of Interior to carry out the physical termination of the reservation property. Phillips resigned in March, 1956, and has not been replaced.

Watters and Favell are southern Oregon businessmen who have lived most of their lives in the area. Today they both admit freely that they really knew little about the Klamath Indians and, as a result of more than 2 years of study "are just beginning to get the information we should have had to start with."

Neither of the men had had previous experience as a "bureaucrat" and this very naivete about some of the finer points of working for Uncle Sam is credited by many as the reason the Klamath fiasco has not developed into a full-scale disaster.

To begin with, as Watters proudly points out, they were able to get a peculiar (for Federal employees) clause attached to the contract which they signed with Secretary of Interior Douglas McKay in May, 1955.

This clause gives the management specialists the right to recommend changes in the termination law. It was opposed by nearly everyone in the Interior Department, Watters says. But, he reports, "McKay said: 'You'd better listen to these men from Oregon. They are on the scene.'"

Operating under the added clause, Watters and Favell—while carrying out the letter of the law—have not hesitated to become convincing and outspoken critics of some parts of it. They have urged an extension of the termination period and basic changes in the provisions for disposing of tribal property.

Watters, who calls himself a life-long "black Republican," has become a real black sheep to many of his Klamath Falls neighbors. Yet, he and Favell have been at least partly successful in convincing others of their neighbors that Public Law 587 will create more problems than it will solve.

Paul Landry, former mayor of Klamath Falls, said recently, "I have fought with Tom for years on most local issues, but this time I am with him."

[From the Eugene (Oreg.) Register-Guard of August 5, 1957]

BATTLE WON, BUT NOT THE WAR—SPECIALISTS APPLAUD TERMINATION DELAY

(By William Dean)

"I favor termination. But if it comes right down to the final analysis I would prefer to have 587 repealed than to go through with it as it is set up now."

The statement was made in mid-July by one of the men responsible for a major part of the termination program on the Klamath Indian Reservation. At the time, a Senate-House conference committee was considering amendments from each House of Congress which primarily are intended to delay parts of the termination program so that Congressmen can take a second look at what they created in August 1954, when they passed Public Law 587.

At the end of July, Tom Watters—who was 1 of 3 men hired in 1955 to terminate Federal supervision over the physical assets of the Klamath Tribe—told the Register-Guard:

"It's important that the Klamath Indians get out from under Government supervision * * *."

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 15, 1957
For actions of August 14, 1957
85th-1st, No. 147

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HIGHLIGHTS: House received conference report on poultry inspection bill. House agreed to conference report on mutual security authorization bill. Ready for President. Sen. Watkins urged passage of bill to transfer certain work under Packers and Stockyards Act to FTC. Sen. Stennis introduced and discussed bill to preserve cotton acreage history.

HOUSE

1. FOREIGN AID. By a vote of 226 to 163, agreed to the conference report on S. 2130, the mutual security authorization bill. This bill will now be sent to the President. pp. 13431-5
Received from the President foreign-aid appropriation estimates for 1958 of \$3,386,860,000; to Appropriations Committee (H. Doc. 225). p. 13493
Reps. Albert and Cannon announced that the foreign-aid appropriation bill is to be debated beginning today, Aug. 15. pp. 13450, 13472
2. POULTRY INSPECTION. Received the conference report on S. 1747, the poultry inspection bill (H. Rept. 1170). pp. 13472-5
3. TEXTILE IDENTIFICATION. Passed with amendments H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. pp. 13435-50
4. TRANSPORTATION. Passed, 177-176, without amendment S. 1383, to amend the Interstate Commerce Act to change the requirements for obtaining a freight forwarder permit. This bill will now be sent to the President. pp. 13450, 13462-71

Received the conference report on S. 939, to limit the applicability of free or reduced transportation rates for Government traffic. pp. 13475-6
Passed without amendment H. R. 8825, to amend the Interstate Commerce Act so as to revise the definition of "contract carrier by motor vehicle." pp. 13477-8

5. EMERGENCY FACILITIES. Concurred in the Senate amendments to H. R. 232, which limits ODM tax-amortization authority to certificates made on or before Aug. 22, 1957, and (1) facilities to produce new or specified defense items and (2) facilities to provide research development of experimental services for the defense program. This bill will now be sent to the President.
6. FEDERAL AID. Rep. Kelley questioned turning over to the States various Federal-aid programs, including the school lunch program. p. 13480
7. FISH; RICE. The Merchant Marine and Fisheries Committee referred S. 1552, to develop methods for commercial production of fish on flooded rice acreage, back to the subcommittee for further hearings. (The subcommittee had previously reported the bill to the full committee.) p. D780

SENATE

8. MONOPOLIES; MEATPACKERS. Sen. Watkins urged passage of S. 1356, to transfer certain work under the Packers and Stockyards Act to FTC, and discussed the background and need for such legislation. pp. 13401-06
9. MILITARY CONSTRUCTION. Conferees were appointed on H.R. 8240, to authorize certain construction at military installations, including the use of foreign currencies acquired under Public Law 480 for the construction of military family housing units in foreign countries (p. 13388). House conferees were appointed Aug. 13.
10. FISHERIES. The Interstate and Foreign Commerce Committee reported with amendment S. 2349, to facilitate the conduct of fishing operations in Alaska, and to promote the conservation of its fishery resources (S. Rept. 963). p. 13344
11. FORESTRY. Sen. Neuberger inserted several articles discussing the controversy over the termination of Federal supervision over the Klamath Indians, including timberlands. pp. 13352-53
12. ELECTRIFICATION. Sen. Morse inserted a resolution and letter favoring construction of the Hells Canyon dam. p. 13356
Several Senators discussed and inserted material on the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission. pp. 13406-12, 13420-24
13. ATOMIC ENERGY. Several Senators discussed and inserted material on the development of atomic reactors. pp. 13356-58, 13388-92, 13400-01
Sen.
14. FOREIGN AID. Sen. Johnson, Knowland, and others discussed the possible effects of the President's statement on the possibility of a special session of Congress if adequate funds are not included in the mutual security appropriation bill. pp. 13412-16
15. TRANSPORTATION. Received an Ala. legislature resolution urging a reduction in excise taxes levied on transportation. p. 13343

379 of part I of the authorization hearings and throughout part II. The reasons for Joint Committee recommendations are discussed in full at pages 24 and 25 of House Report 978.

Second. On the recycle reactor: This is based on Hanford testimony in part I at page 380 and in AEC testimony in part II that the project is urgent, but 1 year away. Hanford testimony and expenditures showed they could begin committing construction money in 1958.

Third. On the natural uranium graphite moderated gas-cooled reactor prototype of approximately 40,000 kilowatts for \$40 million, the technical basis is as follows:

First. The need for developing natural uranium reactors to fill a major gap in the AEC program is discussed at length in the hearings on the 1956 acceleration bill, and in the 1957 authorization hearings. The committee's conclusions are summarized in the report at pages 22 and 23. The report, at page 26, makes clear that the prototype can be used to test slightly enriched fuel as well.

Second. It was thought desirable to specify a graphite moderator to be consistent with Admiral Rickover's testimony that an advanced Calder Hall type of reactor would be most desirable to construct. This would also distinguish it from the heavy water gas-cooled reactor of different design proposed by Dr. Zinn and the Florida group. This is in line with AEC Chairman's comment in part II, that it eliminates duplication.

Third. Extensive testimony on the need for gas-cooled reactor development was contained in last year's hearings on the reactor acceleration bill. This included testimony by Dr. Daniels, the original proponent of the gas-cooled reactor in 1946. It also included testimony and a report by Dr. Walter H. Zinn, the country's leading reactor designer.

In the hearings at Washington and Bettis by Dr. Simpson and Admiral Rickover, the gas-cooled reactor was discussed. It was also discussed by these two leaders in the 1957 authorization hearings, and by Dr. Zinn as to a gas-cooled reactor of a different type. The committee's report also discussed it at 26. The report makes clear that the committee is interested in an improved version, particularly as to high temperature.

Fourth. The size of 40,000 kilowatts was selected as being within the range recommended by Admiral Rickover, and of a size whereby the power could be absorbed at the Idaho test site. It would also be within the spirit of the 50,000-kilowatt limitation in Mr. VAN ZANDT's acceleration bill.

Fifth. The estimated cost of \$40 million was in line with Admiral Rickover's estimate. It was also confirmed by Mr. Davis, AEC Director of Reactor Development, in part II of the hearings. It should be noted that this is a prototype and therefore no attempt is made to get economic power. The estimate, while fairly high, is probably more realistic than other estimates which are later jacked up.

Sixth. The recommendations are, of course, consistent with the many general

reports of the brilliant success of the British.

In particular the Joint Committee has reviewed the AEC report prepared by the American Standard Organization which compares PWR and Calder Hall costs as applied in the United States in slightly improved versions. The Calder Hall reactor is shown to produce cheaper power, although neither is economic.

The North American report, which was apparently withheld by AEC, confirms the above figures as to gas-cooled reactors at about 65,000 kilowatts, but shows a considerable cheaper cost at a size of 350,000 kilowatts.

UNFAIR TRADE PRACTICES IN THE MEATPACKING INDUSTRY—PASSAGE OF S. 1356 IS URGENTLY NEEDED

Mr. WATKINS. Mr. President, S. 1356 was favorably reported to the Senate on July 24, 1956. This bill would amend the Packers and Stockyards Act of 1921, and the Federal Trade Commission Act, so as to return to the FTC, where it was before 1921, jurisdiction over unfair trade practices in the meatpacking industry.

Among the reasons which caused the Senator from Wyoming [Mr. O'MAHONEY] and me to introduce this bill to return such authority to the FTC, is a need to prevent food chains and other firms from, first, buying an interest in a meatpacking plant; and/or, second, acquiring facilities to merely process carcass animals for retail sale, and thereby escape the jurisdiction of the FTC as to its trade practices.

On April 4, 1957, I called the Senate's attention to the fact that Food Fair Stores, Inc., had petitioned the FTC to dismiss a complaint filed against it for an alleged unfair trade practice under section 5 of the FTC Act on the grounds that it was a packer within the meaning of that term as defined by the Packers and Stockyards Act of 1921. On April 18, 1957, I called the Senate's attention to the fact that on that same day a FTC hearing examiner had ruled in favor of upholding this Food Fair petition, since, in his opinion, this firm was a packer and thus subject to the Packers and Stockyards Act.

That act defines a packer as—

Any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or (d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs, in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

(1) Such person is also engaged in any business referred to in clause (a) or (b) of this section, or unless:

(2) Such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, any interest in any business referred to in clause (2) or (b) of this section, or unless:

(3) Any interest in such business of manufacturing or preparing livestock products, or if such marketing business is owned or controlled directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, by any person engaged in any business referred to in clause (a) or (b) of this section, or unless:

(4) Any person or persons jointly or severally, directly or indirectly through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 percent or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 percent or more of such power or control in any business referred to in clause (a) or (b) of this section. (Aug. 15, 1921, ch. 64, sec. 201, 42 Stat., p. 160.) Section 406 (b) excludes a firm so defined from FTC jurisdiction by providing that—

On or after the enactment of this act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this act is made subject to the jurisdiction of the Secretary, except in cases in which, before the enactment of this act, complaint has been served under section 5 of the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, * * * (Aug. 15, 1921, ch. 64, sec. 406, 42 Stat. 169; 7 U. S. C. 227)."

The basis of Food Fair's petition was that since it owned a meatpacking plant, its entire operations—retail grocery business, which amounted to \$475 million in 1956, and its packing plant which, by comparison, did \$25 million worth of business—were exempt from FTC supervision. This was urged in spite of the fact that its alleged violation of section 5 of the FTC Act was in connection with the grocery store operations rather than its meatpacking operations. If the FTC upholds this ruling of the hearing examiner, as I said on that and other occasions, we can expect to see further reliance upon this broad legal definition of a packer by firms who seek to escape prevention of unfair trade practices by the FTC.

In support of this contention I pointed out to the Senate on June 26, 1957, that on June 18, 1957, the Giant Food Shopping Center, Inc., a corporation which operates a chain of 36 supermarkets here in the District of Columbia, Virginia, and Maryland, had petitioned the FTC to dismiss a complaint issued under section 5 of the FTC Act against it by the FTC on November 21, 1955. A supplemental complaint was filed May 14, 1957, alleging that it had engaged in additional unfair trade practices prohibited also by section 5 of the FTC Act.

Mr. President, I went on to point out on that occasion that the Giant Food Shopping Center does not even own a packing plant, as does Food Fair Stores, or even have a 20-percent interest in one. All it owns are facilities to prepare retail cuts of meat from carcasses of steers, calves, lambs, and so forth, purchased from bona fide packers for sale in its 36 stores. This is pointed out by its petition which states in part:

At the time of delivery, these carcasses are not in the form in which they are merchantable to the public at retail in respondent's stores. Hence, the respondent, to make

them marketable, must prepare them by trimming, fabricating, cutting, slicing, grinding, mixing, and otherwise manufacturing and/or preparing meat, and/or meat food products from these carcasses or portions thereof. Having done this, respondent, in its stores, prices the meat and meat food products thus manufactured and/or prepared, packages them, places them on sale, and sells them to the consuming public (p. 3).

The background of this action by Giant Food Shopping Center clearly indicates, without doubt, that in taking this action, this food chain was motivated by the hearing examiner's ruling in the Food Fair case. A letter to Mr. Robert R. Rolnick, attorney for the Giant Food Shopping Center, from Mr. Edward L. Thompson, acting district supervisor, Packers and Stockyards Branch, Livestock Division, United States Department of Agriculture, shows this chain of events: One June 17, 1957, the day before this corporation filed its motion with the Federal Trade Commission, Giant Food Shopping Center delivered to the Packers and Stockyards Branch an executed copy of the report form the United States Department of Agriculture requires of all packers. That very day the district Packers and Stockyards Branch office reviewed that report and under that date informed the Giant Food Shopping Center by letter that because it was engaged in the business of manufacturing and/or preparing meat or meat food products for sale or shipment in the District of Columbia, it was a packer subject to the jurisdiction of the Packers and Stockyards Act.

On the next day, June 18, 1957, the motion to dismiss the complaint was filed with the Federal Trade Commission. Referring to the Food Fair case the petition states:

In the most recent of these matters, Food Fair Stores, Inc., supra, the hearing examiner in his initial decision, relying on *Armour & Company*, supra, and *United Corporation v. FTC* (110 F. 2d 473 (C. A. 4, 1940)), dismissed the complaint against Food Fair in which the Commission had alleged violations which were virtually identical to those alleged against this respondent. * * * Especially interesting is the hearing commissioner's specific finding with respect to the latter:

"Express findings on this motion then are:

"1. Respondent comes within the definition of 'packer' as set out in 7 United States Code 191, not only as to its Elizabeth, N. J., plant but as an entity."

Well, the rush is on to gain exemption from the jurisdiction of the Federal Trade Commission Act prohibitions. Likewise, it is not unlikely that every restaurant chain in America, as well as corporations in interstate commerce, which buy carcass animals and retail this meat through cafeterias, and so forth, to its own employees or the public could qualify as a meatpacker under the present law.

But more disturbing is the fact that firms which even process meat food products, of which the meat portion is minute, can probably escape the jurisdiction not only of the FTC Act, but also of the Robinson-Patman amendments to the Clayton Act. This simply means that because of USDA nonenforcement of title II of the Packers and Stockyards

Act, there would be no effective enforcement to stop unfair trade practices which fall short of a Sherman Act violation, if another recent decision of an FTC hearing examiner is upheld.

I have referred, Mr. President, to the hearing examiner's decision of August 2, 1957, in the matter of Crosse & Blackwell, FTC docket No. 6463. The facts are these: Crosse & Blackwell, on the grounds that they are a packer, as defined by the Packers and Stockyards Act of 1921, have requested the FTC to dismiss a complaint filed against them, which charges that this firm violated section 2 (d) of the Clayton Act, as amended, for giving promotional and advertising allowances to some but not all of its customers competitively engaged in the resale of its products.

The hearing developed the fact that Crosse & Blackwell makes, manufactures, or prepares 14 products which contain "meat or stock extracted from meat." Raw percentages of the meat products varied from a high of 50 percent in its corned beef hash and liver and beef paste, to a low of 10 percent in its vegetable soup with beef stock. Cooked percentages varied from a high of 39 percent in its liver and beef paste to 0.4 of 1 percent in its scotch chicken soup.

Whereas Crosse & Blackwell's total sales of manufactured products amounted to \$7,897,162 in 1956, its sales of items containing meat and meat stock amounted to \$380,250 during the same year. Its sales in 1956 of the 14 products which contained meat in some form amounted to but 2.7 percent of its total sales.

As the hearing examiner's decision granting the motion to dismiss pointed out:

Its claim for immunity rests solely on clause (b) of section 191 of title 7, United States Code, to wit [that it is a packer, because it is engaged in] "manufacturing or preparing meats or meat food products for sale or shipment in commerce." That respondent ships in commerce all of its products is unquestioned.

It would do violence to plain English as well as to commonsense, in my opinion, to claim that most, if not all, of the 14 products listed above were not meat or meat food products, but, if anything further were needed, section 182 (3) of the Packers and Stockyards Act defines the term "meat food products" to mean "all products and byproducts of the slaughtering and meatpacking industry—if edible," and the regulations promulgated by the Department of Agriculture under the authority of the Meat Inspection Act, United States Code, title 21, section 71-91, contained a definition of "meat food products" as follows:

"Meat food product: Any article of food, or any article intended for or capable of being used as human food which is devised or prepared, in whole or in substantial and definite part, from any portion of any cattle, sheep, swine, or goat, except such articles as organotherapeutic substances, meat juice, meat extract, and the like, which are only for medical purposes and are advertised only to the medical profession."

Thus, by definition now, we have a firm which seeks to escape possible conviction for a violation of the Robinson-Patman amendments to the Clayton Act, and the jurisdiction in the future of the Federal Trade Commission.

Why have Food Fair Stores, Inc., the Giant Food Shopping Center, and now Crosse & Blackwell sought to cloak themselves with immunity from FTC jurisdiction not only under the FTC Act but also the Robinson-Patman Act by such legal maneuvers? The only answer can be that since S. 1356 was introduced on February 25, 1957, as a bipartisan attempt by Senator O'MAHONEY and myself to correct this situation, these firms have learned, as the Senate Judiciary Committee concluded, that the virtual nonenforcement of the packer provision of the Packers and Stockyards Act of 1921 by the USDA is preferable to the more effective regulation of the FTC. What facts are available to support this statement? Namely these:

First. The USDA has never issued a cease and desist order involving preferences, restraints, price fixing, and discriminations against a packer, as defined by the Packers and Stockyards Act, which related to the wholesaling or retailing of nonmeat food products or nonfood products. Is it any wonder then that food chains and other firms which sell hundreds of food and nonfood products in their supermarkets and wholesale outlets prefer USDA to FTC jurisdiction?

Second. The USDA has not issued a cease and desist order involving similar unfair trade practices against a packer which relates to the wholesaling or retailing of a meat product in the last 18 years, and only 7 in all since 1921.

Passage of S. 1356 will remedy this situation by giving to the FTC authority to prevent unfair trade practices in the wholesaling and retailing of meat, nonmeat food and nonfood products. This was the situation before passage of the Packers and Stockyards Act of 1921.

However, proposals made to the Subcommittee on Antitrust and Monopoly by, first, the American Meat Institute, lobbyist for the big national packers who oppose S. 1356; and, second, the USDA, would give to the FTC jurisdiction only over the wholesaling and retailing activities of a firm not principally engaged in meatpacking or processing.

On the other hand, the great majority of the groups which testified before the Antitrust and Monopoly Subcommittee or filed statements with the subcommittee, or who have otherwise indicated approval of S. 1356, urged the Senate to give the FTC such authority over the wholesaling and retailing activities of all firms.

The group includes National Federation of Independent Business, Inc.; National Retail Dry Goods Association; National Association of Retail Grocers; National Fisheries Institute; United States Wholesale Grocers' Association, Inc.; National Farmers Union; National Food Brokers Association; Cooperative League of the United States; National Wool Growers Association; National Milk Producers Federation; American National Livestock Auction Association; Idaho Wool Growers Association; Utah Wool Growers Association; Wyoming Wool Growers Association; Utah Cattle-men's Association; Western States Meat Packers Association, Inc.; National Renderers Association; National American Wholesale Grocers Association; National

Institutional Wholesale Grocers Association; National Candy Wholesalers Association, Inc.; Wyoming Stock Growers Association; National Preservers Association; Montana Cattlemen's Association; Iowa Swine Producers Association; Georgia Dairy Association; Pure Milk Association; Kansas Ice Cream and Milk Institute.

Why do these groups favor S. 1356? Because the firms these spokesmen represent must compete with the packers in the wholesaling and retailing of meat, of nonmeat food products and of nonfood products. Yet, as they pointed out to the subcommittee while they are subject to the effective enforcement of the Federal Trade Commission Act, as were the big 5 packers before 1921, these packers and others as well are subject to the Packers and Stockyards Act under title II of which they enjoy comparative freedom due to nonenforcement by the USDA.

The AMI and the USDA proposals, as embodied in the proposed Dirksen amendments to S. 1356, thus would continue the present system of two sets of trade practice rules: One for the big packers which is not effectively enforced by the USDA, and one set for their competitors which is effectively enforced by the FTC. As Senator O'MAHONEY remarked during the testimony of the Department of Agriculture officials:

You are proposing to throw the food chains to the wolves in the Federal Trade Commission while shielding the packers behind the Department of Agriculture (hearing, S. 1356, p. 394).

These witnesses and the firms they represent are concerned in the light of this situation, because three of the biggest packers, represented by the AMI, were 1920 consent decree signers who recently have petitioned the courts to set aside those portions of that order which would permit these packers to process and sell 140 food and nonfood products, own and operate retail meat markets, sell fresh milk and cream and operate distribution facilities for handling these products in direct competition with wholesale and retail food stores.

Should this petition be granted, these firms fear, and rightly so, the ramifications continued USDA noninterest in the enforcement of the unfair-trade practices of title II would have upon their businesses, since to all intent and purpose these 3 of the biggest 10 packers would be free, as other packers now are, to expand into every segment of the food industry, and nonfood industries as well.

But whether the consent-decree modification is granted or not, the activities of these packers outside the area prohibited by the consent decree are so extensive that their competitors—food firms, nonfood firms, and small packers—are likely to be hurt unless the big national packers are required to operate under the same set of trade-practice rules under which they must operate. In this respect, it should be noted that in 1950, 1 or more of the 4 largest packers shipped 21 classes of food products in interstate commerce and 58 classes of nonfood products. Nonmeat food products comprised 6.6 percent of

their total shipments. Nonfood products, exclusive of the byproducts of their meat operations, constituted 6.7 percent of their total shipments in interstate commerce, and nonfood byproducts shipped accounted for an additional 4.9 percent. Thus, 18.2 percent of their total shipments comprised nonmeat food and nonfood products.

Yet, these packer-owned operations now are not subject to the FTC, but their competitors are subject to the jurisdiction of that more effective agency. Nor under the proposed Dirksen amendments to S. 1356 would these big packers be subject to the FTC. The present situation without doubt gives, and these proposals would continue to give in the future, an unfair competitive advantage to packer-owned enterprises. Under these circumstances who, as a competitor of Swift & Co., would not be concerned about this situation when in 1955 that firm, for example, produced 4 percent of the Nation's butter; 8 percent of the cheese; 9 percent of the margarine; 19 percent of the salad and cooking oil; and 15 percent of the shortening?

Why, these witnesses ask, and rightly so in my opinion, should the trade practices of a firm like Wilson Sporting Goods, selling nonfood products, be under USDA while its competitors like Spaulding, as it would under the USDA and AMI proposal, continue to be subject to the FTC? Why they ask, should Swift and Armour in the wholesaling of nonmeat food products such as cheese, canned milk, eggs, soups, and so forth, be under the USDA and their competitors like Campbell Soup Co. and Safeway Stores continue to be under the FTC, as the USDA and the AMI propose?

In closing, Mr. President, I ask unanimous consent that the decision of the hearing examiner in the Crosse & Blackwell case be printed at the end of my remarks. Because of urgency of the present situation, I sincerely hope that the Senate yet at this session will pass S. 1356.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION, IN THE MATTER OF CROSSE & BLACKWELL CO., A CORPORATION, DOCKET NO. 6463, FILED AUGUST 2, 1957

INITIAL DECISION

Frank Hier, hearing examiner.

Andrew C. Goodhope, Frederic T. Suss, and Alvin D. Edelson, counsel supporting the complaint.

Niles, Barton, Yost & Dankmeyer, by A. Adgate Duer, Baltimore, Md., and James W. Cassidy, Washington, D. C., counsel for the respondent.

This matter comes on for decision on a motion to dismiss the complaint on the ground that respondent is a pack subject exclusively to the Packers and Stockyards Act of 1921 (7 U. S. C. 191 et seq.) and that such act gives exclusive jurisdiction of the respondent, insofar as the acts and practices charged in the complaint to be illegal are concerned, to the Secretary of Agriculture. The complaint charges respondent with violation of section 2 (d) of the Clayton Act (15 U. S. C. 13), in that it gave promotional and advertising allowances to some but not all of its customers competitively engaged in the resale of its products. No proof on the merits has been taken.

Factual allegations contained in the motion being controverted by counsel in support of the complaint, a hearing for that purpose only was held, from which it developed that respondent makes, manufactures or prepares some 14 products containing meat or stock extracted from meat, as follows:

Name	Raw percentage	Cooked percentage
Beef stew.....	25.5	18.0
Lamb stew.....	25.0	18.0
Corned beef hash.....	50.0	35.0
Chili con carne.....	25.5	17.5
Ham and tongue paste.....	36.0	24.0
Liver and beef paste.....	50.0	39.0
Scotch chicken soup.....	14.0	.4
French onion soup.....	12.5	-----
Cream of chicken soup.....	8.7	-----
Chicken noodle soup.....	13.8	-----
Chicken rice soup.....	9.3	-----
Beef noodle soup.....	20.0	-----
Vegetable beef soup.....	19.0	-----
Vegetable soup with beef stock.....	10.0	-----

Sales of these items containing meat or meat stock amounted to \$339,211 in 1955 and \$380,250 in 1956 out of a total sales of manufactured products in 1955 of \$7,760,679, and in 1956 of \$7,897,162. The sales of said products have continued during the year 1957 at approximately the same rate.

Respondent sells approximately 150 products under one brand name, and some 35 under another, totaling approximately \$14 million a year. Its sales in 1955 of the 14 products containing meat constituted 2.3 percent of its 1955 total sales, and in 1956, 2.7 percent.

The definitive section of the Packers and Stockyards Act reads as follows:

"When used in this chapter—

"The term 'packer' means any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or (d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs, in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

"(1) Such person is also engaged in any business referred to in clause (a) or (b) of this section or unless;

"(2) Such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, any interest in any business referred to in clause (a) or (b) of this section, or unless;

"(3) Any interest in such business of manufacturing or preparing livestock products, or in such marketing business is owned or controlled, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, by any person engaged in any business referred to in clause (a) or (b) of this section, or unless;

"(4) Any person or persons jointly or severally, directly or indirectly, through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 percent or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 percent or more of such power or control in any business referred to in clause (a) or (b) of this section." (August 15, 1921, c. 64, sec. 201, 42 Stat. 160.)

Respondent is not registered under the Packers and Stockyards Act with the Sec-

retary of Agriculture, and does not own or control, directly or indirectly, through stock ownership or otherwise, any slaughterhouse or packing plant or any interest therein, nor does it do any slaughtering or shipment of carcasses in commerce. The meat, which it incorporates in the 14 products enumerated above, is purchased by it from a local slaughterhouse and by it trimmed, boned, cut up, cooked, mixed and otherwise prepared for canning.

Its claim for immunity rests solely on clause (b) of section 191 of 7 United States Code, to wit, "manufacturing or preparing meats or meat food products for sale or shipment in commerce." That respondent ships in commerce all of its products is unquestioned.

Counsel in support of the complaint makes no serious contention that the above-named products are not meat or meat food products, contenting himself with the assertion that the meat contained therein, stressing, of course, cooked weight, is insignificant. The statute makes no such distinction.

It would do violence to plain English as well as to common sense, in my opinion, to claim that most, if not all, of the 14 products listed above were not meat products or meat food products, but, if anything further were needed, section 182 (3) of the Packers and Stockyards Act defines the term "meat food products" to mean "all products and by-products of the slaughtering and meat-packing industry—if edible," and the regulations promulgated by the Department of Agriculture under the authority of the Meat Inspection Act, United States Code, title 21, section 71-91, contained a definition of "meat food products" as follows:

"Meat food product: Any article of food, or any article intended for or capable of being used as human food which is derived or prepared, in whole or in substantial and definite part, from any portion of any cattle, sheep, swine, or goat, except such articles as organotherapeutic substances, meat juice, meat extract, and the like, which are only for medicinal purposes and are advertised only to the medical profession." (Sec. 1.1 (w) Regulations Governing the Meat Inspection of the United States Department of Agriculture.)

To this showing, counsel in support of the complaint argues two points: First, that Congress, in passing the Packers and Stockyards Act, was dealing only with persons, firms, and corporations engaged in the business of buying, slaughtering, and preparing livestock, animals, dairy products, and poultry products for sale in commerce, and intended to convey jurisdiction to the Secretary of Agriculture over only a strictly limited field, and he cites the definition of "commerce" contained in the Packers and Stockyards Act. However, that definition is not confined to livestock, carcasses, or meat per se, but specifically includes meat food products as well.

The entire legislative history of the Packers and Stockyards Act was thoroughly researched by this hearing examiner previously in the matter of Food Fair Stores, Inc., docket 6458, and the conclusion was there reached that it was the intention of Congress, as reflected by that history as well as the plain language of the act, to except from Federal Trade Commission jurisdiction anything connected with the meat industry. Further discussion is deemed unnecessary.

Counsel's second argument is to the effect that the Federal Trade Commission, under section 5 (a) (6) of the Federal Trade Commission Act and under section 406 (b) of the Packers and Stockyards Act, has residual jurisdiction. The latter section reads as follows:

"On and after the enactment of this act, and so long as it remains in effect, the Fed-

eral Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this act is made subject to the jurisdiction of the Secretary, except in cases in which, before the enactment of this act, complaint has been served under section 5 of the act entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' approved September 26, 1914, or under section 11 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and except when the Secretary of Agriculture in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case" (7 U. S. C. 227).

Section 5 (a) (6) of the Federal Trade Commission Act is as follows:

"The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the acts to regulate commerce, air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, and persons, partnerships, or corporations subject to the Packers and Stockyards Act, 1921, except as provided in section 406 (b) of said act, from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

Counsel argues that because the first three exceptions in the latter statute contain no qualifying phrase, but the fourth exception, reading "persons, partnerships, or corporations subject to the Packers and Stockyards Act, 1921," contains what counsel designates as a crucial and heretofore overlooked phrase, "except as provided in section 406 (b) of said act," only a limited (but undefined) jurisdiction is conferred on the Secretary of Agriculture. However, it is clear to this hearing examiner that this pregnant phrase, "except as provided in section 406 (b) of said act," obviously refers to the language in that section reading as follows:

"* * * except in cases in which, before the enactment of this act, complaint has been served under section 5 of the act entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes' approved September 26, 1914, or under section 11 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the Federal Trade Commission that it make investigations and report in any case."

It is equally obvious that neither of these exceptions apply in the instant case.

Since existing pertinent decisions, as well as the legislative history of the Packers and Stockyards Act, were discussed in the Food Fair Stores, Inc., decision by this hearing examiner, there is no point in repeating such discussion here.

Express findings on this motion, then, are:

1. Respondent comes within the definition of "packer," as set out in 7 United States Code 191, because it manufactures or prepares meat or meat food products for sale or shipment in commerce.

2. The Secretary of Agriculture has exclusive jurisdiction of the acts and practices charged in the complaint to be illegal.

3. The Federal Trade Commission has no jurisdiction thereof.

It follows that the motion of respondent to dismiss should be, and the same hereby is, granted. Accordingly,

It is ordered that the complaint herein be, and the same hereby is, dismissed.

FRANK HIER,
Hearing Examiner.

AUGUST 1, 1957.

ANALYSIS OF REPORT ON THE CONCENTRATION IN AMERICAN INDUSTRY

Mr. DIRKSEN. Mr. President, the Senate Antitrust and Monopoly Subcommittee, of the Committee on the Judiciary, has recently issued a report on the Concentration in American Industry, prepared by Mr. Jesse J. Friedman, economic consultant to the subcommittee until recently. I had prepared a statement critically analyzing this concentration report. I ask unanimous consent that my statement be inserted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN AS PART OF OPENING REMARKS OF ANTITRUST SUBCOMMITTEE HEARINGS, AUGUST 12, 1957

This report of the Subcommittee on Antitrust and Monopoly, dealing with the subject of Concentration in American Industry, consists of some 750 pages of finely printed statistical tables and explanatory remarks. It contains literally hundreds of thousands of concentration ratios and other figures. It had been in preparation for almost 2 years, occupying during this time the full efforts of a large part of the Industrial Division of the Bureau of the Census, and the professional attention of Mr. Jesse J. Friedman, economic consultant to the subcommittee, and other members of the subcommittee staff. Yet, the members of the subcommittee had been given only a few days to review a work of extreme professional and political importance, whose dimensions are only inadequately described by the information cited above.

It is obviously impossible for any conscientious member of the subcommittee to probe and evaluate the qualities of this report even if one could work 24 hours a day during the days that had been available to us for this purpose. Actually, of course, the members of this subcommittee have other pressing duties.

The report was published without full opportunity for comment by members of the subcommittee. Obviously, full justice could not be done in evaluating the report within the time limitation imposed, but I am taking the occasion at this and the forthcoming hearings to deal with this report on its merits and to propose and examine expert witnesses, as the need therefor will arise.

At this time, I limit myself to a short analysis of the meaningfulness of the statistical study on Concentration in American Industry contained in this report, basing my observations entirely upon the introductory text (pp. 1-6) as written by its author, Mr. Jesse J. Friedman, former economic consultant to the subcommittee.

The introduction of this report, which follows the Letter of Transmittal and the Contents pages, contains (on pp. 3 to 5) a remarkable statement of 10 "limitations and qualifications." This statement encompasses the most devastating criticism that can be made of the study itself. However, it is often worded in such manner that its import may be fully understandable only to the few statisticians and economists, and other experts, who are specialists in the subject of industrial concentration and its measurement. Those of us who are not in that enviable position and to whom this study is nevertheless, at least at first glance, a document of conceivably great importance, are in need of a restatement of the quali-

fications and limitations in language that is understandable.

Hence, I have set it as my task at this time to furnish a translation of the technical language contained in this section of the report, so that all of us can understand clearly the deficiencies of this study which its author, by his own admission, could not or did not avoid. I deal here only with those limitations and qualifications which, as the author puts it (p. 3), "are especially worthy of mention."

LIMITATION AND QUALIFICATION NO. 1

The first of the limitations and qualifications of this study reads as follows (p. 4):

"1. The factual information contained in this report is quantitative in nature. Bare statistics necessarily omit many qualitative factors which are essential to a complete understanding of the competitive structure of the entire industrial economy or of an individual industry. By the same token, the data themselves do not reveal the causes of the concentration shown, nor the relative importance of new entries, integration, internal growth, mergers, or business decline or mortality in accounting for the degree or trend of concentration."

Translated into open language, this passage means that it is impossible to ascertain from the "factual information" contained in this report whether the degree of concentration that the study attributes to any group of companies is the result of socially or economically undesirable actions or behavior on the part of the business concerns (such as conspiracies in restraint of trade), or whether it is the result of conditions over which the concerns have no control (such as the requirement of large capital investments inherent in the nature of a particular manufacturing operation or a particular product).

LIMITATION AND QUALIFICATION NO. 2

The second of the limitations and qualifications of this study reads as follows (p. 4):

"2. As has generally been true for reports on this subject, selection of the concentration measures used in this report was influenced to a large extent by practical considerations relating to availability of data. Three basic considerations were: (a) the necessity of using an already-compiled census; (b) the need for using uniform measures for all industries to facilitate the mechanics of the project; and (c) the desirability of providing a means of comparing current data with information for earlier years, in order to have some indication of trends. Other concepts and measures of industrial concentration than those to which this study is confined might conceivably be of equal or greater validity for individual industrial categories."

Translated into open language, this paragraph means that the reasons why inadequate concentration measures were used were to a large extent considerations of convenience ("practical considerations"), among which the following are cited:

(a) The necessity of using an already compiled census: There was no real necessity of using an already compiled census. The subcommittee has ample powers and its staff could have obtained valid and pertinent data directly from the companies concerned, instead of taking the easy way of using United States census data which admittedly were not designed, and are not usable, for the purpose of concentration analysis.

(b) The need for using uniform measures for all industries to facilitate the mechanics of the project: This is a wholly specious reason. The mechanics of the project would have been facilitated by developing and using adequate statistics; actually, they were hindered and frustrated by the use of unsuitable statistics compiled for purposes other than concentration measurements.

(c) The desirability of * * * comparing current data with information for earlier years * * *: This point is equally without basis. The statement implies that the 1954 data used in this study are comparable with those of earlier years (1947 and 1935), while in truth this is not the case at all.

In view of the foregoing, the concluding sentence of this paragraph, that "other concepts and measures of industrial concentration * * * might conceivably be of equal or greater validity * * *" must be taken at its full measure, for it represents the admission that other statistics on concentration that could have been developed or were available are apt to be more valid than the ones that have been used in this study.

LIMITATION AND QUALIFICATION NO. 3

The third of the limitations and qualifications of this study reads as follows (p. 4):

"3. The significance of the concentration ratio in those instances in which the measure is meaningful is a relative matter. The concentration of a given percent of shipments or of employment in the hands of 4 companies may denote a more serious situation for one industry, a less serious situation for another. This report presents the facts concerning concentration in the manner measured, including comparisons with earlier data where available; it provides no standard for evaluating these facts."

The key sentence is the last one: "This report * * * provides no standard for evaluating these facts." It means that in this report the numerical system has been divested of its significance. Ordinarily, a given percentage in one place means the same as the same percentage given in the same context and in the same statistical study in any other place. Here, however, we are told specifically that a concentration of, say, 50 percent may denote a more serious situation in one place than a concentration of 50 percent when it is shown in another place in the same "study." That also means, for example, a 55 percent concentration ratio in one place may be less serious than a 45 percent ratio in another place; conceivably, a 90 percent ratio in one place could even "denote" a less serious situation than a 10 percent ratio in another place. The question is: What is the validity of a study that seeks to present a numerical evaluation of the degree of concentration, when the author, himself, warns the reader that the figures recorded therein have no meaning whatsoever?

LIMITATION AND QUALIFICATION NO. 4

The fourth of the limitations and qualifications of this study reads as follows (p. 4):

"4. Because of data limitations, all the measurement of concentration in this report relate to the United States as a whole, even though in many cases the industrial markets concerned are regional, or even local, rather than national in character. As a general rule, but not necessarily in every case, the effect of using a broader geographic market than that in which competition actually occurs is to understate the degree of concentration."

Here, the author states that he has made the assumption that there is only one single market in which American industry sells its products, namely, the national market. Of course, everybody knows that there are many other markets in which American industry operates: There are local markets of all sizes and descriptions; and there are markets which exceed the territorial scope of the United States, such as numerous international markets. These is, to be sure, also a national market, but the figures in this study do not tell us whether the uniform use of the national market was justified in any particular case or not. Hence, the reader is told that "as a general rule, but not necessarily in every case" the effect of this consistent assumption is to understate the degree of concentration. Actually, the author says quite

properly that he really is not able to say whether in any particular case the concentration ratio is overstated or understated as a result of this deficiency of the basic concentration data. Again, what value are such statistics? What value is a study that is based upon them?

LIMITATION AND QUALIFICATION NO. 5

The fifth of the limitations and qualifications of this study reads as follows (p. 4):

"5. Concentration ratios shown in this report for individual categories are based upon the shipments, value added, or employment of manufacturing plants in the United States and thus make no allowance for imports, although in the case of certain products, a substantial part of the supply available in the United States market is imported from other countries. For some products, domestic production constitutes only a small fraction of imports. The effect of omitting imports is generally to overstate the degree of concentration in the markets affected, although where imports are marketed domestically by the largest companies, the omission of imports from the data may have the effect of understating concentration."

Here, not even the author of this study can escape the necessity of admitting that the mistake of disregarding the competition which imported goods provide in the domestic market is bound to overstate the degree of concentration, except in those cases where the imports of the largest companies provide added competition for their domestic products. The fallacy of disregarding imports has been pointed out repeatedly over many years by expert economists and statisticians. It could have been avoided with relative ease, simply by including the known quantities of imported goods in the calculation of the concentration ratios.

Some years ago, Prof. George J. Stigler, of Columbia University, condemned the entire 1941 TNEC concentration study solely on the grounds that it left out consideration of imports. The same condemnation applies to the present study.

LIMITATION AND QUALIFICATION NO. 6

The sixth of the limitations and qualifications of this study reads as follows (p. 4):

"6. The concept of shipments used in this report as a basis for measuring concentration conforms to that generally used in Census Bureau statistics. Under this concept, interplant transfers, i. e., shipments of products from one manufacturing establishment of a company to another plant of the same company are included in shipments, but intraplant transfers, i. e., products consumed in the same plant in which they are produced, are excluded. Thus, for integrated companies the value of shipments of materials or components which are incorporated in other products of the same companies is included in the shipments of such companies as well as in the total shipments of such materials or components if these materials or components are transferred to other plants of the companies than those in which manufactured, but are excluded if such materials are produced and consumed at the same plant."

What this means is that, as a result of the indiscriminate inclusion of the values of shipments moving between the integrated plants of a single company, there is double-counting every time such a transfer takes place. And every time such double-counting is made in the census statistics, the concentration ratio of the company involved is artificially inflated. Moreover, since integrated single plant operations are far more frequent among large producers than among medium-sized and small ones, this statistical practice means, further, that the market shares of the large companies are systematically overstated. Therefore, the very concentration ratios (for the 4 largest, 8 largest, and 20 largest companies), upon which the entire

report focuses, are distorted upwards in varying degrees.

The question is, what good are concentration ratios if they contain systematic biases of such type?

LIMITATION AND QUALIFICATION NO. 7

The seventh of the limitations and qualifications of this study reads as follows (p. 5):

"7. Data for industry and product categories relate to aggregate shipments, value added, or employment in those categories by plants located in the United States. No distinction is made between goods marketed domestically and goods exported. In those cases in which exports are substantial, therefore, the share of the domestic market alone accounted for by the largest companies may be higher or lower than the concentration ratio shown."

Here, again, is one of those sources of statistical error whose effects are completely concealed from the eyes of the unwary user of these statistics. The inaccuracies of concentration ratios arising from nonrecognition of export markets cannot be minimized by confining their effects to "the domestic market alone." They affect the concept of the entire market, both domestic and foreign. Thus, the above-quoted statement that "the share of the domestic market alone accounted for by the largest companies may be higher or lower than the concentration ratios shown" is misleading. The truth is, that regardless of whether exports are "substantial" or less than "substantial," there is a statistical bias in all of these figures relating to industries or companies which export some part of their output. This bias results in a consistent overstatement of concentration ratios.

LIMITATION AND QUALIFICATION NO. 8

The eighth of the "limitations and qualifications" of this "study" reads as follows (p. 5):

"8. The concept of employment which is used in this report as another basis for measurement of concentration also follows census usage. As indicated earlier, every manufacturing establishment is classified in the 4-digit industry classification to which the products of that plant are primary. The entire employment of each plant is thus assigned to a single industry. No distinction is made between the employment of an integrated plant which devotes labor to producing materials or components for incorporation into its end products and the employment of a nonintegrated plant which purchases such materials or components from other plants classified in other 4-digit industries."

What is said here means that employment is inadequate as a measure of concentration because the fact that integration is completely disregarded in census statistics. However, this affects not merely concentration measurements that are based upon employment; but also those that are based upon product shipments, are subject to the same criticism. For example, a plant that merely assembles—say 1,000 watches per day—is treated the same way as a plant that, not only assembles the same quantity of identical watches, but also fabricates all of their component parts. The value of shipments of each of the two plants is the same, but it is obvious that these two plants are in no sense comparable. Yet, census industry statistics treat them as if there were no difference between them.

LIMITATION AND QUALIFICATION NO. 9

The ninth of the limitations and qualifications of this study reads as follows (p. 5):

"9. The classifications of industries and products for which concentration measures are used in this report are those used in the census of manufactures. These classifications were developed over a period of years to serve the general purposes of the census

and other governmental statistics. Although the basic data are extremely useful and widely used for a variety of purposes in marketing analysis, the classifications were not designed to establish categories necessarily denoting coherent or relevant markets in the true competitive sense, or to provide a basis for measuring market power. On the other hand, products classified in one 4-digit or 5-digit category may compete for the same market with products classified in other categories. Frequently products grouped together in a single 4-digit classification, while related in the sense that they may be manufactured in the same plants, or from the same types of raw materials, or by similar production processes, are nevertheless destined for basically noncompetitive uses and markets. This is true, although to a lesser extent, for 5-digit classifications as well. In some cases it would be necessary to select or recombine the basic 7-digit product classifications in order to obtain categories having competitive meaningfulness. No attempt is made in this report to fit the census classifications to the actual competitive structure of industrial markets. The result is in some cases a fairly accurate reflection of the degree of market concentration, in others an overstatement, and in others an understatement of such concentration."

This is undoubtedly the most striking deficiency of this concentration "study." The author is to be commended on his candor of stating (in the last two sentences, above) that he has made no attempt to fit the artificial census classifications to the actual competitive structure of industrial markets, and that "the result is in some cases * * * an overstatement" and in other cases "an understatement" of the degree of concentration. In other words, the author of this study points out that one never knows whether a concentration ratio appearing in this report is overstated, whether it is understated, or whether—apparently only by the sheerest of coincidences—it might be "fairly accurate."

LIMITATION AND QUALIFICATION NO. 10

The 10th, and last, of the limitations and qualifications of this study reads as follows (p. 5):

"10. In view of the above reservations, the data on concentration in this report are not of equal significance. For some categories, the measure of concentration may be extremely significant in indicating relative market power; for some it may not be significant at all for this purpose. Nevertheless, except in those special tabulations requiring selection based upon comparability of classification, concentration ratios are shown for all categories, in order to avoid the necessity of subjective interpretation of the data for each industry or product classification covered."

Surely, this paragraph will stand for a long time as an example of frank admission. His quote, " * * * the data on concentration in this report are not of equal significance" is so true. They are not; some are worse than others, but none seem to be good.

"For some categories, the measure of concentration may be extremely significant * * * for some it may not be significant at all." Everything that the author has said so far leads to the inescapable conclusion that in no case can any of these measures of concentration be proven to have any significance, except that in which they may be cloaked by the mantle of misplaced congressional sponsorship.

In view of this, and all of the foregoing, what is it that would be needed to put a proper evaluation on the statistics contained in this study? The answer, obviously, is an objective interpretation of this staff member's published data which will undoubtedly be supplied by the economic and statistical

professions in a manner that may not reflect credit upon this subcommittee or its staff. This brings me, again, to my repeated warnings of the grave dangers of permitting staff reports to be published, which reports are unwittingly being accepted by the public and the press the world over, as the gospel of the United States Senate.

I emphasize, again, that the foregoing review of this statistical study of Concentration in American Industry is based entirely upon the author's own statements of limitations and qualifications, as they appear on pages 3 to 5 of this report.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission.

Mr. WATKINS. Mr. President, the personal attack being made upon Mr. Kuykendall on the occasion of his re-nomination to the Federal Power Commission boils down to an attack upon the Federal Power Commission itself.

For many months now the FPC—the Congress' own bipartisan regulatory agency—has been under relentless attack, essentially by Members of Congress from the political party which was in power when the Commission was created in 1920 and when its powers were expanded materially during the 1930's.

And what is the reason for these vicious and continuing attacks upon one of the Government's major conservation and regulatory bodies?

The answer is simple: The Commission failed to approve a controversial Federal power project—the high Federal dam at Hells Canyon.

Now it is also true that the Congress itself has had several opportunities to approve the same project.

Four times, in fact, the project has emerged from committee in either the House or the Senate. And in every Congress, except for a temporary victory in the current Senate, the project has marched back down the hill again.

On two of these occasions when the high Hells Canyon bill suffered reverses in the Congress, it is significant that the party, from which the criticism of Mr. Kuykendall is emanating, was safely in control of the Congress.

Under these circumstances, one would think that if blame were going to be handed out at all, Congress itself would share in the credit or discredit, whichever is preferred. But such is not the case. The coals of fire are being heaped almost exclusively upon the head of Mr. Kuykendall, and upon the Federal Power Commission itself.

In all this sound and fury, I have seen many personal attacks upon Mr. Kuykendall, but nowhere have I seen any valid evidence that he has failed to perform the duties of his office as spelled out in the law.

If the nomination of Mr. Kuykendall is not confirmed, it will be primarily because he did not—and legally could not—compel his Commission to do what his critics could not compel the Congress to do. It will not be because he has violated any law or any directive of Congress, nor because he has been dila-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 22, 1957
For actions of August 21, 1957
85th-1st, No. 152

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HIGHLIGHTS: House agreed to conference report on supplemental appropriation bill. House Commerce subcommittee ordered reported bill to transfer certain work under Packers and Stockyards Act to FTC. Senate committee ordered reported water resources conservation resolution. Sen. Morton inserted, and Sen. Humphrey criticized, REA loan portion of Secretary's press conference.

HOUSE

SUPPLEMENTAL APPROPRIATION BILL FOR 1958. Agreed to, and sent to the Senate, the conference report on this bill, H.R. 9131. (pp. 14145-57) As agreed to the bill provides \$4 million for ARS for eradication of screwworms and fireants (instead of \$5 million as proposed by the Senate), \$1,300,000 for poultry inspection (instead of \$3.5 million as proposed by the Senate), \$20 million for ACPS for emergency conservation measures (instead of \$25 million as proposed by the Senate), not to exceed \$50,000 of the funds appropriated for forest land management in 1958 for the acquisition of sites for buildings outside the national forests, and \$75,000 (instead of \$150,000 as proposed by the Senate) for farm housing research by the land grant colleges under the Housing Act of 1957. It includes \$100,000 (instead of \$150,000 as proposed by the Senate) for the Advisory Committee on Weather Control to complete its final report by Dec. 31, 1957, \$15,000,000 for the President's disaster relief fund, \$13,317,000 for TVA, and various amounts for claims. It provides that appropriations, authorizations, and authority provided in the bill shall be available from July 1, 1957, for the purposes provided, and all obligations incurred between June 30, 1957, and the date of enactment of the bill in anticipation of the appropriations, authorizations, and authority are so authorized.

2. MONOPOLIES; MEATPACKERS. A subcommittee of the Interstate and Foreign Commerce Committee ordered reported with amendment H.R. 5282, to transfer certain work under the Packers and Stockyards Act to the Federal Trade Commission. p. D813
3. ORGANIZATION. Conferees were appointed on S. 1791, to extend the Reorganization Act of 1949 to apply to reorganization plans submitted before June 1, 1959 (p. 14145). Senate conferees were appointed Aug. 19.
4. FORESTRY. Passed as reported H.R. 7900, to authorize the Secretary to sell certain Title III Bankhead-Jones lands in Mich. to private individuals. p. 14145
5. ATOMIC ENERGY. Passed with amendment, H.R. 9379, making appropriations for the AEC for 1958. (pp. 14158-67) The bill had been reported by the Appropriations Committee earlier (H. Rept. 1217) (p. 14183).
6. HOUSING. Agreed to the Senate amendment to the House amendment to the Senate amendment to H.R. 4602, to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from \$10,000 to \$13,500. (pp. 14171-72) This bill will now be sent to the President.
The Ways and Means Committee reported without amendment H.R. 9057, to amend the Internal Revenue Code so as to provide for amortization deductions with respect to housing facilities for farm workers (H. Rept. 1215). p. 14183
7. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H.Con.Res. 175, proposing a code of ethics for the Government service (H. Rept. 1208), and with amendment H.R. 607, to increase the annuities payable to retired employees from the civil service retirement fund (H. Rept. 1211). p. 14182
8. RICE; FISHERIES. The Merchant Marine and Fisheries Committee reported with amendment S. 1552, to authorize Interior to establish a program for the purpose of carrying on research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops (H. Rept. 1212). p. 14182
9. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1996, to approve the contract negotiated with the Casper-Alcova Irrigation District, and to provide that the excess-land provisions of the reclamation laws shall not apply to the lands of the Kendrick project, Wyo. (H. Rept. 1214). p. 14183
10. ELECTRIFICATION. Rep. Bow defended the rapid amortization program for the electric power industry, stating that recent attacks on the program were "based on distortion and falsehood." pp. 14173-78
11. FOREIGN AID. Rep. Smith, Wisc., urged that recent cuts in foreign aid program appropriations be sustained, and stated that "the truth is that the American people are not sold on the program." p. 14178
12. LEGISLATIVE PROGRAM. Rep. Albert announced that the Private Calendar will be called today, Aug. 22. pp. 14167-68

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 23, 1957
For actions of August 22, 1957
85th-1st, No. 153

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HIGHLIGHTS: Senate concurred in certain House amendments on supplemental appropriation bill, and further conference report was submitted. Several Senators discussed administration of REA. Sen. Watkins recommended transfer of certain meat-packing regulations to FTC. Rep. Hill urged revision of basic farm laws in second session. House committee reported rice acreage bill.

SENATE

1. SUPPLEMENTAL APPROPRIATION BILL, 1958. Agreed to the House amendments to the Senate amendments regarding poultry inspection, emergency conservation measures, and weather control (pp. 14210-11). Senate and House conferees were appointed for a further conference on two amendments not affecting this Department (pp. 14211, 14255). The House later received the conference report on these two amendments (pp. 14305).
2. MEAT PACKING. Sen. Watkins spoke in favor of S. 1356, to transfer certain functions under the Packers and Stockyards Act to the Federal Trade Commission. pp. 14249-52
3. ELECTRIFICATION. Sen. Barrett and several others debated the progress and administration of REA. pp. 14234-46
4. PERSONNEL. Passed with amendment S. 25, to provide that changes in pay of wage-board employees shall be effective not later than the beginning of the first pay period which begins on or after 30 days following the start of the survey. Agreed to an amendment by Sen. Carlson to provide that Saturdays and Sundays shall not be a part of the 30 days. pp. 14230, 14247-8

Sen. Johnston submitted an amendment which he intends to propose to S. 734, to revise the compensation schedules of the Classification Act. p. 14190

5. TRANSPORTATION. Agreed to the conference report on S. 939, relating to the rendering of transportation services to the Government at free or reduced rates under Sec. 22 of the ICC Act. Rejected, 19 to 62, a motion by Sen. Kefauver to postpone further action on the bill until Jan. 30, 1958. pp. 14213-28
(The main purpose of the bill is to limit the free or reduced rates to any time of war or national emergency.) This bill will now be sent to the President.
6. D. C. STADIUM. Agreed to the conference report on H. R. 1937, to authorize the construction, maintenance, and operation of a stadium in D. C. p. 14230
7. ATOMIC ENERGY. The Appropriations Committee reported with amendments H. R. 9379, the atomic energy appropriation bill for 1958 (S. Rept. 1080). p. 14187
8. FARM-CITY WEEK. The Judiciary Committee reported without amendment H. J. Res. 313, designating Nov. 22-28, 1957, as National Farm-City Week (S. Rept. 1103). p. 14188
9. WILDERNESS PRESERVATION. Sen. Thye inserted a Yugoslav National Home meeting resolution opposing S. 1176, the Superior Forest wilderness preservation bill, as being too restrictive. pp. 14190-1
10. PATENTS. A Judiciary Committee study, "The International Patent System and Foreign Policy," was ordered printed as S. Doc. 63. pp. 14248-9
11. LEGISLATIVE PROGRAM. Majority Leader Johnson announced that S. 1356, to transfer certain meat-packing regulation to FTC, is to be debated today, and that various other bills are to be considered in the near future, including S. 314, to assist the cotton textile industry to regain a proper share of the world market. p. 14231

HOUSE

12. RICE. The Agriculture Committee reported without amendment H.R. 8490, to establish rice acreage allotments, prevent the expansion of such allotments, and provide for a 65% penalty payment for rice produced by supported producers outside of their allotments (H. Rept. 1236). p. 14305
13. RESEARCH; LAND. Passed without amendment S. 1962, to convey a tract of USDA land near Bowie, Md. to the Perkins Chapel Methodist Church. This bill will now be sent to the President. p. 14275
14. FARM PROGRAM. Rep. Hill stated that everything about the farm program was not bad, inserted a column commenting on the increase in the prices farmers received, and urged that the House consider "fundamental changes in the approach toward the solution of our agricultural difficulties" in the second session. pp. 14292-3
15. PERSONNEL. Agreed to H. Res. 406, to provide for an investigation by the House Administration Committee of the Hatch Act and other restrictions on political participation by Federal employees. pp. 14280-2
16. WATER RESOURCES. Agreed to H. Con Res. 176, to print as a House Document Part II of the Central Valley Project Documents, comprising project operating documents, which had been reported by the House Administration Committee (H. Rept. 1232). pp. 14285, 14305

Harvard University and the Regional Planning Association.

While the study was made under the authority of the Subcommittee on Patents, Trademarks, and Copyrights, it is not to be regarded as a statement of the committee or of any member of the committee.

It has, however, been in substantial demand, both at the office of the subcommittee and at the Office of the Superintendent of Documents of the Government Printing Office. As of today, I am advised by the Office of the Superintendent of Documents that 1,287 copies of this document have been sold at 20 cents a copy. Demands for additional copies are being received daily by the committee. After consultation with the members of the Subcommittee on Patents, Trademarks, and Copyrights, and with the distinguished Senator from Mississippi [Mr. EASTLAND], chairman of the Judiciary Committee, I am authorized to request that this committee print be issued as a Senate document.

I should like to add that to date the Superintendent of Documents has sold 17,921 copies of the 5 regional studies which have been published by our subcommittee.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a report of sales by the office of the Superintendent of Documents with respect to these five studies, as of July 30, 1957.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Report of sales by the Superintendent of Public Documents, Government Printing Office, of the Research Studies, July 30, 1957

	Copies sold
Study No. 1: Proposals for Improving the Patent System (Bush).....	6,962
Study No. 2: The Patent System and the Modern Economy (Frost).....	3,416
Study No. 3: Distribution of Patents to Corporations (Federico).....	3,539
Study No. 4: Opposition and Revocation Proceedings in Patent Cases (Federico).....	3,075
Study No. 5: The International Patent System and Foreign Policy (Vernon).....	1,129
Total sold.....	17,921

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

JURISDICTION OVER WHOLESALING ACTIVITIES OF MEATPACKERS

Mr. WATKINS. Mr. President, there appeared in the Washington Post of this morning a letter to the editor by Mr. Aled P. Davies, who identifies himself as director of the department of livestock of the American Meat Institute. Mr. Davies' letter took issue with a Washington Post editorial of August 19, 1957, written in support of Senate bill 1356. This bill would return to the Federal Trade Commission jurisdiction of the wholesaling activities of meatpackers.

I ask unanimous consent that my comment on the editorial and Mr. Da-

vies' reply letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

COMMENT BY SENATOR WATKINS

There appeared in the Washington Post, this morning, a letter to the editor from Mr. Aled P. Davies, who identifies himself as director, department of livestock, American Meat Institute. Mr. Davies' letter took issue with a Washington Post editorial of August 19, 1957, written in support of S. 1356. As you know, this bill would return to the FTC jurisdiction over the wholesaling activities of meatpackers.

Since S. 1356 shortly will be before the Senate for debate, I feel it incumbent upon me, as one of the sponsors of the bill, to point out to the Senate the many misstatements of fact which this letter contains, as well as other liberties the AMI has taken with the facts in an attempt to defeat this bill.

It is to be expected that the big national packers, who seem to dominate the American Meat Institute, since the big 4 packers provide 55 percent of the dues, would keep up a constant volley of rebuttal against S. 1356. It cannot be disputed that these 4, and 6 other packers, dominate the meat industry, since, although there are about 2,000 packers engaged in interstate commerce, 10 meatpacking firms market 66.1 percent of the meat slaughtered and eligible for shipment in interstate commerce. When these 10, and perhaps a few other large packers are suddenly faced with the prospect that jurisdiction over their trade practices may suddenly be shifted from the USDA to the FTC, an effective and specialized enforcement agency, human nature being what it is, their reaction to S. 1356 through the AMI is understandable, even if not commendable.

I do not believe that the bulk of the packers are opposed to S. 1356, simply because testimony given to the Senate Subcommittee on Antitrust & Monopoly seems to indicate just the opposite: The AMI told the subcommittee that it had 435 members (hearings, S. 1356, p. 247); however, the Western States Meat Packers Association, which supports S. 1356, indicated that 462 firms, mostly small businesses, comprise its membership (hearings, S. 1356, p. 96). The answers of these small independent packers, as well as some 28 other organizations representing all phases of the livestock and food industry, to the questions and observations posed by Mr. Davies' letter are given in the pamphlet *What's So Different About Meat?*, which can be obtained from the Western States Meat Packers Association, room 704, 917 15th Street N. W., Washington 5, D. C.

S. 1356, as the following analysis of Mr. Davies' letter to the editor indicates, was not born of false or faulty allegations, as alleged, but rather of 36 years of noneffective USDA administration of title II of the Packers & Stockyards Act, and a genuine bipartisan concern to remedy this situation.

1. Challenged AMI Davies statement: "The first sentence of the editorial implies what a bit later is stated to be a fact—that there has not been effective policing of monopolistic or unfair trade practices in the meatpacking industry."

Answer: The Packers and Stockyards Act vests the Secretary of Agriculture with authority to issue cease and desist orders with respect to packers who engage in unfair trade practices under title II. While a small number of such cease and desist orders, in and of itself, obviously is not a good indicator of whether title II has been and is being enforced, a small number of cease and desist orders, however, do indicate nonenforcement in my judgment, when coupled with these facts: (1) USDA has never asked for suffi-

cient funds to enforce the act; (2) the packers and stockyards branch, since the early 1920's has been understaffed and spread too thin to do the job title II requires; and (3) the growing volume of complaints of unfair trade practices by packers which the USDA has done little or nothing about.

No, to say the least, it is unlikely that the small number of cease and desist orders—32 since 1921—is attributed to any other fact than noninterest and nonconcern on the part of the USDA since the early 1930's. Since 1921, 18 of these 32 cease and desist orders have been issued to packers under title II for refusal to pay for or accept livestock.

In the past 36 years the USDA has issued but six cease and desist orders involving weight and grade frauds in the buying and selling of livestock. The remaining eight cease and desist orders issued to packers involved actual unfair trade practices in the form of restraints, preferences, price fixing, and discriminations. Seven of these cease and desist orders were issued against packers involving restraints, preferences, price fixing, and discriminations in the wholesaling of meat. But it is important to note that in the last 18 years the USDA has issued only one such order. Not since the mid-1930's has the Department evidenced any concern in this area. More significant still is the fact that the USDA has never issued a cease and desist order against a packer which involved the wholesaling or retailing of non-meat food products or nonfood products.

2. Challenged AMI Davies statement: "To support this contention, the supporters of the O'Mahoney-Watkins bill say that not many cases alleging such practices have been brought by the Secretary of Agriculture and the Department of Agriculture does not have sufficient personnel to police the industry."

On July 6, 1956, I introduced S. 4177 in the Senate. The Senate Agriculture Committee to which it was referred requested a report from the USDA on July 10, 1956. In the meantime, the USDA's 1958 fiscal year budget request went to the Bureau of the Budget. Its request for new obligatory authority to administer the Packers and Stockyards Act amounted to \$178,000 which was for the purpose of posting additional stockyards under title III of the Packers and Stockyards Act. Not \$1 of new obligatory authority appears to have been requested by the USDA for expansion of its enforcement activities under title II of that act for the 1958 fiscal year, although the packers and stockyards branch requested \$200,000 of additional new funds for title II enforcement, which the USDA itself turned down.

Notwithstanding this background the USDA on December 21, after the Department's 1958 fiscal year request had gone to the Bureau of the Budget, rendered a report recommending against enactment of S. 4177.

By contrast with the vigorous activities in earlier years under title II, as described by Mr. Millard J. Cook, head of the Packers and Stockyards Branch from 1945 to 1955, in testimony presented to the subcommittee in June 1956, responsibility for prevention of unfair trade practices by meatpackers today not only under title II but under title III as well as here in Washington, D. C., is vested in the Trade Practices Section of the Packers and Stockyards Branch of the Livestock Division of the Agricultural Marketing Service. This Trade Practice Section was staffed by two marketing specialists and a stenographer at the time S. 1356 was introduced, and I presume the section is still so staffed, since I have not received information to the contrary.

Neither one of these two marketing specialists, nor a single employee in any of the 20 understaffed field offices maintained by the Packers and Stockyards Branch, is engaged full time in title II enforcement. A review of the USDA's April 4, 1957, self-

appraisal report on the Packers and Stockyards Act administration indicates, as does the Department's appropriation request, that nearly 90 percent of the work of this section and the Packers and Stockyards Branch itself is spent in title III enforcement; any action taken under title II being incidental to its title III activities relating to operation of stockyards.

This self-appraisal report alluded to by Mr. Davies in his letter does state that "the organization that is maintained in administering the Packers and Stockyards Act permits a high degree of flexibility in planning and conducting major investigations and in meeting the fluctuating demands of different district offices. This is because the entire field force may be actively utilized in such an investigation whenever necessary" (p. 8).

This statement appears to be a self-directed gratuity rather than a fact, as is revealed by examination of Mr. Earl Butz, Assistant Secretary of Agriculture, and Mr. D. M. Pettus, Acting Director, Livestock Division, Agricultural Marketing Service, before the Senate subcommittee. Consider the following colloquy between these gentlemen and myself:

"Senator WATKINS. Mr. Secretary * * * is it not true that in the Ogden, Utah, area you have 2 marketing specialists and 1 clerk—3 people to regulate 26 packers in 3 States, 12 of them in Utah, 13 in Idaho, and also 1 in Oregon?"

"Mr. PETTUS. Those are the people permanently assigned to that location. When we have an investigation underway, we frequently bring in people from other markets and from our Washington area and add to our staff.

"Senator WATKINS. If they do not have any bigger staff in other areas than in this, what would you have to enforce the law where you are moving them from?"

"Mr. PETTUS. We leave a reduced staff.

"Senator WATKINS. For instance, in Billings, Mont., you have 1 marketing specialist and 1 half-time clerk, as I get it, to regulate 5 packers in Utah, 3 in Idaho, 2 in Wyoming, and 11 in Montana—21 altogether. How in the world can you take anybody from that area to help somewhere else such as the Ogden, Utah, area if the others are manned in the same way?" (transcript, p. 695-6). At this point Mr. Butz asked Acting Director Pettus to explain how a case 2 years ago in the Ogden, Utah, area was handled. In part Mr. Pettus replied:

"Mr. PETTUS. I cannot recall at the moment how many people we had looking into the particular transaction, but we try to operate it with as few people as possible because we are spread so thin, Senator" (transcript, p. 697).

To which I replied, with the colloquy continuing as follows:

"Senator WATKINS. I recognize you are spread thin, and that is our complaint—that you do not have enough force to do the job in title II.

"Mr. PETTUS. We agree with you, and I think that is pointed out.

"Senator WATKINS. You have not had for nearly 36 years.

"Mr. PETTUS. I agree with you, sir.

"Senator WATKINS. We think that is a long enough trial period. * * * With all the problems that have been handed to Agriculture, we thought we would certainly find someone who would be glad to get rid of this matter of law enforcement in the field in which the FTC has a special interest by reason of the act of Congress creating it as an independent regulatory agency—a special arm of the Congress.

"Mr. BUTZ. It is quite true for 26 years it has not been adequately enforced, but don't you think when the sinner confesses and resolves to do better he should be given a chance?" (Transcript, p. 697-8)

Under these circumstances, what reasonably prudent person would not conclude that responsibility for prevention of unfair trade practices involving meat packers should be returned to the Federal Trade Commission, where it was before passage of the Packers and Stockyard Act of 1921? Is not 25 or 30 years of inadequate enforcement a long enough trial period?

3. Challenged AMI-Davies statement: "Actually, one would think that if the situation is serious enough in the meat industry to call for legislation the supporters of the transfer bills would be able to come up with at least one authenticated case of unlawful trade practices which have been uncorrected by the Secretary of Agriculture."

I am most happy to oblige Mr. Davies. But let me say this: It is not the job of the Senate Judiciary Committee to decide whether a complaint is or it not valid. Our job was to determine whether the USDA has been in the habit of (1) investigating complaints, and (2) taking proper action.

Countless witnesses told the committee of taking complaints to the USDA, about which the USDA did not ever attempt to investigate. Consider the following statement of Mr. Harold O. Smith, Jr., executive vice president, United States Wholesale Grocers' Association, given in testimony to the subcommittee:

"Here are some practices currently engaged in by meatpackers, as reported to us by our members and apparently about which nothing effective can be done in the present state of the law and enforcement jurisdiction:

"1. Discriminating in price between competing buyers. We happen to have supporting invoices on that, although they are confidential.

"2. Giving kickbacks to supervisors of a retail distributing company.

"Incidentally, most of these have been applied apparently for the purpose of incurring favor, in order to sell more of the fresh meats of these packers.

"Senator KEFAUVER. You mean, the packers gave kickbacks?

"Mr. SMITH. Yes; that is right; either the packers or the salesman or the agent of the packer, to the supervisors, in order to get more fresh meat business, or so they have reported to us.

"3. Subsidizing certain customers to the disadvantage of their competitors.

"4. Selling evaporated milk in five-case lots to some outlets cheaper than the wholesaler can buy evaporated milk in carload lots.

"5. Favoring some retailers under the guise of advertising and promotional allowances and even selling to them at prices cheaper than to the wholesaler.

"6. Selling to some retail buyers from branch houses below wholesale prices temporarily, to make up monthly branch-house tonnage quota. Of course, that is fresh-meat tonnage quotas.

"7. Packers salesmen telling wholesale grocers' retail customers the prices they have charged the wholesaler for purchase of packer merchandise, and in some cases, telling the retailer to buy up the wholesaler's stock of an item on which the price has advanced before the wholesaler learns of that advance" (hearings, p. 168).

But more disturbing, Mr. President, is the refusal of the Department of Agriculture at the policy level to take action against a packer even when the Packers and Stockyards Branch's Trade Practice Section has developed adequate information to warrant full-scale investigation and perhaps formal charges. Such a recent case, as Mr. Davies full well knows, involved certain alleged unfair trade practices prohibited by title II of the Packers and Stockyards Act on the part

of Safeway Stores, which, if sustained would be violations of that act. The following colloquy between the Senate Subcommittee Counsel, Mr. McHugh, Mr. Pettus, and Mr. Lee D. Sinclair, Chief, Packers and Stockyards Branch, clearly develops this fact. Mr. Sinclair stated that he had recommended to his superiors "that the case be fully investigated and that we attempt to get sufficient funds to carry out that investigation." The colloquy then continued as follows:

"Mr. McHUGH. You were overruled in this recommendation?"

"Mr. SINCLAIR. In effect there was an overruling, yes.

"Mr. McHUGH. Was the matter considered again after it was returned to you with this notation for conducting a study?"

"Mr. SINCLAIR. Well, I brought it up again about January of this year with Mr. Reed, the director of the Livestock Branch, Mr. Reed told me later that he had taken it up again and that we should not investigate it.

"Mr. McHUGH. Well, what did that mean to you? With whom?"

"Mr. SINCLAIR. Well, I understand it to mean his superiors, who would be Mr. Lennartson, Mr. Wells, and Mr. Butz.

"Mr. McHUGH. After that, did you concur in the decision that was made not to go forward with this investigation, but to conduct this research study?"

"Mr. SINCLAIR. Well, we weren't asked about that.

"Mr. McHUGH. Did your opinion as to the best manner of handling this problem change any?"

"Mr. SINCLAIR. No."

I am not critical of the decision to undertake a broad economic study of the practice involved in the Safeway case. However, I am critical of the lack of action to stop such a practice when preliminary investigation by the Trade Practice Section seemed to verify a violation of title II. Both actions could and should have been undertaken.

Many witnesses who appeared before the Senate subcommittee listed dozens of similar instances involving practices carried on by packers which the USDA has not even bothered to investigate. The USDA witnesses did not refute them.

4. Challenged AMI-Davies statement: "Since the Packers and Stockyards Act was passed in 1921, there has not been a single conviction we know about in the industry for antitrust law violation, despite numerous sweeping investigations by the Department of Justice, which over the last 15 years actually brought 11 major criminal and civil cases involving packers of all sizes, all of which were dropped, dismissed or lost on trial."

It is true that the Department of Justice has authority to enforce the antitrust laws, involving conspiracy to monopolize, such as the Sherman Act of 1890 and the Clayton Act of 1914. But this is beside the point at issue, since the Department of Justice does not have authority to prevent unfair trade practices under title II of the Packers and Stockyards Act, which falls short of Sherman Act violations. In addition, section 404 of the Packers and Stockyards Act provides that the Secretary of Agriculture "may report any violation of this act to the Attorney General of the United States, who shall cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States without delay." The only difficulty, however, is that Secretaries of Agriculture have not used this authority apparently, for title II has never been litigated in the courts, either by the USDA or the Department of Justice.

Although the Justice Department, under the Sherman Act now has authority to proceed against meat packers for conspiracies in restraint of trade, the big packers who dominate the meat industry know, in light

of the 1948 case against Armour and Col, et al., that it is very unlikely, at least in the near future, that they will ever be effectively proceeded against under the Sherman Act. Why? Mr. Victor R. Hansen, head of the Justice Department's Antitrust Division, in a letter to me dated July 11, 1957, put it this way: "In the Department's 1948 proceeding against the four major meat packers the Government had charged a continuing conspiracy commencing in 1893. After the case was filed the Court ordered that no evidence offered by the Government that related to the defendants' activities before 1930 would be received in evidence. This order of the Court eliminated from the Government's case its best evidence of conspiratorial acts. Thus the Court's "1930 cut-off date" drastically affected the ability of the Government to prove its case. For these reasons, this Department dismissed in 1954 its 1948 proceedings."

Thus, the only way to prevent continued concentration in the meat packing industry it seems at present, is to prevent that type of trade practice which falls short of a Sherman Act violation by returning to the FTC jurisdiction over packers' trade practices. This is provided by S. 1356.

5. Challenged AMI-Davis statement: The fact that meat packers submit reports to the Department of Agriculture has no bearing on enforcement activities, as the editorial implies."

Mr. President, it most certainly has a bearing. As I pointed out in my testimony to the House Antitrust and Commerce and Finance Subcommittees in support of H. R. 5282, a companion bill to S. 1356:

"USDA DOES NOT ATTEMPT TO OBTAIN DATA ESSENTIAL TO DETERMINATION OF TITLE II VIOLATIONS

"During the course of the Senate subcommittee's hearings on S. 1356, Mr. Butz, the major spokesman for the USDA, indicated that the Department, while willing to give the FTC jurisdiction over the wholesaling and retailing of meat, nonmeat food, and nonfood products of a firm not principally engaged in meat packaging and processing, nevertheless would not voluntarily give up jurisdiction over such activities by a firm principally engaged in meat packing because * * * in that case it is necessary to have general supervision over that because sometimes, as has been alleged, they may use profits in their nonmeat activities, you see, to engage in discriminatory pricing practices on meat' (transcript, p. 751).

"But in fact, does the USDA obtain such data from meat packers? No, Mr. President, on a regular basis they do not, nor does the USDA even require packers to report their losses or profits on their meat operations or any nonmeat food product or nonfood product operation. As one witness summarized this administrative shortcoming to the Senate subcommittee last summer:

"Under the Packers and Stockyards Act every company doing an interstate meat business has to report a financial statement as of the end of each year but never have the packers and stockyards administration required the national packers to submit a statement of their meat operations separately from their total operations. That has been one of the failures of properly administering that Packers and Stockyards Act, in that you cannot get the definite information' (transcript, June 21, 1956, p. 21).

"The statement of this witness is substantiated by the USDA's Packers and Stockyards Administration self-appraisal report of April 4, 1957, to which I have already made reference, as I shall point out shortly.

"When asked during the Senate hearings on S. 1356 a few days ago whether the USDA was continuing to investigate charges of market sharing by packers, since the Department of Justice dropped its major suit in

1953 against several national packers based on this practice, Mr. Pettus, Acting Director, Livestock Branch, Agricultural Marketing Service replied:

"Not as a specific followup of that overall case, but in our various types of records that we get on packers, the reports that we get each year, and our observations, we have continued to look over the entire question of sharing' (transcript, p. 664).

"Great stress was placed by Mr. Pettus upon information contained in packer reports, or as he put it information 'that we get ourselves directly from the packers, under the act' (transcript, p. 665).

"Now, what does the self-appraisal report say about the content and use made of reports submitted annually by packers to the Packers & Stockyards Branch? Namely this:

"The annual reports of meatpackers are received by the 20 district offices that are maintained by the packers and stockyards branch. * * * Information contained in these reports is primarily concerned with ownership, organization, and financial conditions. * * * The annual reports of the top four packers are forwarded to the Washington office of the branch where they are retained in a permanent file.

"Although the annual reports of packers are received, there is no tabulation or statistical analysis made of the information contained in them for the purpose of determining industry trends, problems, or conditions' (p. 14).

"Might one not logically ask, as a result: Why, in fact, are these reports not reviewed for the purpose of determining industry trends, problems, or conditions? Why even require reports in the first place unless they are reviewed in order to further the carrying out of specific objectives of the Packers and Stockyards Act?

"Insofar as title II is concerned, the Department is charged with the responsibility of preventing unfair trade practices by meatpackers, yet these reports do not even require packers to show losses on their meat, nonmeat food products, and non-food-product operations. Such information, however, is essential to determine whether a firm is absorbing losses in one area or line of operation in order to eliminate competitors, but making up the loss in other areas and lines of operation where its position is better established in the market. If none but the reports of the 'top four packers' are sent to Washington, how could the Department ever detect various market-sharing arrangements which limit competition for livestock and mean lower prices to producers? The odds are that it could not make such a detection, let alone produce evidence sustainable in a court of law.

"The self-appraisal report confirms these observations by correctly suggesting that 'effective administration and prompt enforcement of any regulatory measure such as the Packers and Stockyards Act are highly dependent upon the availability of adequate information and the use made of this information in the job that must be done. Packers and others subject to the act are now required to file annual reports. In the past, the Department of Agriculture has consistently adhered to a policy of requesting from those subject to this act a minimum of information in their reports.

"This raises the question as to whether both the timeliness and the content of these reports from packers might be improved and whether the information supplied should be in more pertinent detail for analysis and interpretation. Such reports would help pinpoint industry or individual problems and assist in bringing about more effective and economical administration of the act. This is so, particularly in view of the information such reports can reveal relating to

trends, shifts, emphasis, degree of concentration in the industry, etc.'" (pp. 20-21).

6. Challenged AMI-Davis statement: " * * * we felt the logical solution is to adopt the approach suggested by the Dirksen amendment to the O'Mahoney-Watkins bill."

I am sure the AMI feels this way. I am equally sure the American people do not.

Proposals made to the Subcommittee on Antitrust and Monopoly by (1) the American Meat Institute, lobbyist for the big national packers who oppose S. 1356, and (2) the United States Department of Agriculture, as embodied in the Dirksen amendments, would give to the Federal Trade Commission jurisdiction only over the wholesaling and retailing activities of a firm not principally engaged in meat packing or processing.

On the other hand, the great majority of the groups which testified before the Antitrust and Monopoly Subcommittee or filed statements with the subcommittee, or who have otherwise indicated approval of S. 1356, urged the Senate to give the FTC such authority over the wholesaling and retailing activities of all firms.

The group includes:

National Federation of Independent Business, Inc.

National Retail Dry Goods Association.

National Association of Retail Grocers.

National Fisheries Institute.

United States Wholesale Grocers' Association, Inc.

National Farmers Union.

National Food Brokers Association.

Cooperative League of the United States.

National Wool Growers Association.

National Milk Producers Federation.

American National Livestock Auction Association.

Idaho Wool Growers Association.

Utah Wool Growers Association.

Wyoming Wool Growers Association.

Utah Cattlemen's Association.

Western States Meat Packers Association, Inc.

National Renderers Association.

National American Wholesale Grocers Association.

National Institutional Wholesale Grocers Association.

National Candy Wholesalers Association, Inc.

Wyoming Stock Growers Association.

National Preservers Association.

Montana Cattlemen's Association.

Iowa Swine Producers Association.

Georgia Dairy Association.

Pure Milk Association.

Kansas Ice Cream and Milk Institute.

Why? Because the firms these spokesmen represent must compete with the packers in the wholesaling and retailing of meat, of nonmeat food products, and of nonfood products. Yet, as they pointed out to the subcommittee while they are subject to the effective enforcement of the Federal Trade Commission Act, as were the big 5 packers before 1921, these packers and others as well are subject to the Packers and Stockyards Act under title II of which they enjoy comparative freedom due to nonenforcement by the USDA.

The AMI and the USDA proposals, as embodied in the proposed Dirksen amendments to S. 1356, thus would continue the present system of two sets of trade practice rules: One for the big packers which is not effectively enforced by the USDA, and one set for their competitors which is effectively enforced by the FTC. As the Senator from Wyoming (Mr. O'Mahoney) remarked during the testimony of the Department of Agriculture officials: " * * * you are proposing to throw the food chains to the wolves in the Federal Trade Commission while shielding the packers behind the Department of Agriculture" (hearings, S. 1356, p. 394).

These witnesses and the firms they represent are concerned in the light of this situation, because 3 of the biggest packers, represented by the AMI, were 1920 consent decree signers who recently have petitioned the courts to set aside those portions of that order which would permit these packers to process and sell 140 food and nonfood products, own and operate retail meat markets, sell fresh milk and cream, and operate distribution facilities for handling these products in direct competition with wholesale and retail food stores.

Should this petition be granted, these firms fear, and rightly so, the ramifications continued USDA noninterest in the enforcement of the unfair trade practices of title II would have upon their businesses, since to all intent and purpose these 3 of the biggest 10 packers would be free, as other packers now are, to expand into every segment of the food industry, and nonfood industries as well.

But whether the consent decree modification is granted or not, the activities of these packers outside the area prohibited by the consent decree are so extensive that their competitors—food firms, nonfood firms, and small packers—are likely to be hurt unless the big national packers are required to operate under the same set of trade practice rules under which they must operate. In this respect, it should be noted that in 1950 one or more of the four largest packers shipped 21 classes of food products in interstate commerce and 58 classes of nonfood products. Nonmeat food products comprised 6.6 percent of their total shipments. Nonfood products, exclusive of the byproducts of their meat operations, constituted 6.7 percent of their total shipments in interstate commerce, and nonfood byproducts shipped accounted for an additional 4.9 percent. Thus, 18.2 percent of their total shipments comprised nonmeat food and nonfood products.

Yet, these packer-owned operations now are not subject to the FTC, but their competitors are subject to the jurisdiction of that more effective agency. Nor under the proposed Dirksen amendments to S. 1356 would these big packers be subject to the FTC. The present situation without doubt gives, and these proposals would continue to give in the future, an unfair competitive advantage to packer-owned enterprises. Under these circumstances who, as a competitor of Swift & Co., wouldn't be concerned about this situation when in 1955 that firm, for example, produced 4 percent of the Nation's butter; 8 percent of the cheese; 9 percent of the margarine; 19 percent of the salad and cooking oil; and 15 percent of the shortening?

Why, these witnesses ask, and rightly so in my opinion, should the trade practices of a firm like Wilson Sporting Goods, selling nonfood products, be under USDA while its competitors like Spaulding, as it would under the USDA and AMI proposal, continue to be subject to the FTC? Why they ask, should Swift and Armour in the wholesaling of nonmeat food products such as cheese, canned milk, eggs, soups, etc., be under the USDA and their competitors like Campbell Soup Co. and Safeway Stores continue to be under the FTC, as the USDA and the AMI propose?

[From the Washington Post of August 22, 1957]

PACKERS AND THE FTC

The editorial in your August 19 edition entitled "Packers and the FTC" repeats in substance the contentions which have been made by proponents of S. 1356 and the companion bills in the House to transfer jurisdiction over the meatpacking industry from the Secretary of Agriculture to the Federal Trade Commission.

The first sentence of the editorial implies what a bit later is stated to be a fact—that

there has not been effective policing of monopolistic or unfair trade practices in the meatpacking industry. To prove this contention, the supporters of the O'Mahoney-Watkins bill say that not many cases alleging such practices have been brought by the Secretary of Agriculture and the Department of Agriculture does not have sufficient personnel to police the industry.

Actually, one would think that if the situation is serious enough in the meat industry to call for legislation, the supporters of the transfer bills would be able to come up with at least one authenticated case of unlawful trade practices which have been uncorrected by the Secretary of Agriculture.

So far this has not been done. Chairman COOLEY of the House Committee on Agriculture called attention to this glaring deficiency, after hearing many witnesses testify before his committee and after having asked for concrete examples of complaints.

The fact is that the meatpacking industry is a clean industry and the small number of cases proves it. Since the Packers and Stockyards Act was passed in 1921, there has not been a single conviction we know about in the industry for antitrust law violation, despite numerous sweeping investigations by the Department of Justice, which, over the last 15 years actually brought 11 major criminal and civil cases involving packers of all sizes, all of which were dropped, dismissed or lost on trial. Several of these cases involved various trade practices and in all of them the industry's activities were under the most detailed scrutiny and study.

Those who advocate the passage of this legislation claim that only three persons are available for enforcement. The Department of Agriculture, however, points out that it has 78 full-time employees who may be utilized in investigations whenever necessary.

The editorial states that the Department has neither the specialists nor the experience for effective enforcement of the law against unfair trade practices. Actually, the Agricultural personnel which have the responsibility in this field are much more expert than anyone available to the FTC, which this week may be investigating some phase of the food business and next week may be looking into automobile batteries.

The fact that meatpackers submit reports to the Department of Agriculture has no bearing on enforcement activities, as the editorial implies. The reports are required by law. Other businesses submit reports to the FTC. We fail to see how this fact can be taken as a persuasive argument for legislation.

However, if legislation is needed to regulate more effectively someone who is claiming to be a backer when his principal business is in other fields, then we feel the logical solution is to adopt the approach suggested by the Dirksen amendment to the O'Mahoney-Watkins bill.

This amendment would keep those whose principal business is meatpacking under the Secretary of Agriculture and give the FTC jurisdiction over all activities of others except such meatpacking operations as they may choose to operate.

ALFRED P. DAVIES,
Director, Department of Livestock,
American Meat Institute.
CHICAGO.

ATOMIC ENERGY COMMISSION APPROPRIATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Calendar No. 814, Senate bill 2672, be placed back on the calendar, and that the Senate proceed to the consideration of House bill 9379.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 9379) making appropriations for the Atomic Energy Commission for the fiscal year ending June 30, 1958, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

RECESS TO TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 48 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Friday, August 23, 1957, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 22, 1957:

UNITED NATIONS

To be representatives of the United States of America to the 12th session of the General Assembly of the United Nations, to serve no longer than December 31, 1957

Henry Cabot Lodge, of Massachusetts.

A. S. J. CARNAHAN, United States Representative from the State of Missouri.

WALTER H. JUDD, United States Representative from the State of Minnesota.

George Meany, of Maryland.

Herman B. Wells, of Indiana.

To be alternate representatives of the United States of America to the 12th session of the General Assembly of the United Nations, to serve no longer than December 31, 1957

James J. Wadsworth, of New York.

Miss Irene Dunne, of California.

Philip M. Klutznick, of Illinois.

Mrs. Oswald B. Lord, of New York.

Genoa S. Washington, of Illinois.

DEPARTMENT OF COMMERCE

The following-named persons to be examiners in chief in the Patent Office of the Department of Commerce:

Harry Sure, of Maryland.

Peter T. Dracopoulos, of Maryland.

BOARD OF PAROLE

Harvey G. Straub, of Ohio, to be a member of the Board of Parole for the term expiring September 30, 1962.

COLLECTORS OF CUSTOMS

Robert W. Dill, of New York, to be collector of customs for the customs collection district No. 10, with headquarters at New York, N. Y.

W. Rae Dempsey, Jr., of Maryland, to be collector of customs for the customs collection district No. 13, with headquarters at Baltimore, Md.

James P. Winne, of Hawaii, to be collector of customs for the customs collection district No. 32, with headquarters at Honolulu, T. H.

SURVEYOR OF CUSTOMS

Harry Edwards, of New York, to be surveyor of customs, customs collection district No. 10, with headquarters at New York, N. Y.

UNITED STATES CIRCUIT JUDGES

John S. Hastings, of Indiana, to be United States circuit judge, seventh circuit.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

August 26, 1957
August 23, 1957
85th-1st, No.154

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HIGHLIGHTS: House and Senate completed action on supplemental appropriation bill. Sen. Symington introduced and discussed bill to provide equitable treatment for participants in acreage reserve program. Sen. Magnuson introduced and discussed bill to establish calendar year as Government's fiscal year, etc..

SENATE

SUPPLEMENTAL APPROPRIATION BILL, 1958. Both Houses acted on remaining items in disagreement (not involving USDA) to this bill, H. R. 9131. This bill will now be sent to the President. pp. 14375-9, 14434-40

PURCHASING. The Small Business Committee submitted a report, "Government Procurement, 1957; Case Studies in Government Procurement" (S. Rept. 1111). p. 14341

MEAT PACKING. Sen. Young submitted amendments which he intends to propose to S. 1356, to transfer certain USDA functions under the Packers and Stockyards Act to FTC. p. 14345

PERSONNEL. Sen. Pastore spoke in favor of pay increases for Federal employees. pp. 14351-2

Began debate on S. 2377, to provide standards for production of Government records in loyalty cases, etc. pp. 14398-410, 14415-17, 14422-31

FOREIGN AID. Sen. Johnson spoke in support of this program. p. 14337

Sen. Smith, N. J., spoke on the availability of foreign currencies for the mutual security program. pp. 14347-8

Passed without amendment H. R. 2938, to provide for refund of excise taxes on articles shipped by CARE. This bill will now be sent to the President. p. 14386

6. ELECTRIFICATION. Sen. Anderson deplored the difficulty a rural electric cooperative in Mich. is having in obtaining a suitable contract from an industrial firm for construction of an atomic energy plant. pp. 14352-3
7. RURAL DEVELOPMENT. Sen. Dirksen inserted and commended a Time article describing the rural development program. p. 14360
8. SCHOOL LUNCHES. Passed as reported S. 1764, to authorize payment of the cost of free lunches for needy children in the D. C. schools. pp. 14379-80
9. PROPERTY DISPOSAL. Sen. Morse explained the philosophy and provisions of the so-called "Morse formula" regarding payments in connection with disposal of Government real property. pp. 14421-2
10. FIBER IMPORTS. Agreed to the committee amendments to H. R. 7096, to suspend the tariff on istle or Tampico fiber, which was then temporarily laid aside. p. 14391
11. ATOMIC ENERGY APPROPRIATION BILL, 1958. Both Houses agreed to the conference reports on this bill, H. R. 9379, which had been passed by the Senate earlier in the day. pp. 14366-8, 14454, 14392, 14470, 14398, 14476 (This bill will now be sent to the President.)
12. FARM PROGRAM. Sen. Symington commended the report of the Conference on Economic Progress, "Full Prosperity for Agriculture," and stated that present USDA policies differ from those set forth in the report. p. 14353
13. LEGISLATIVE PROGRAM. Sen. Johnson announced several bills which are to be taken up by motion at any time, including H. R. 8030, regarding acreage listing, and H. R. 8508, to authorize two committees for certain counties. He announced that such motions will not be made without advance notice. It was agreed that the calendar will be read today, Aug. 26. pp. 14339, 14411-12
14. ADJOURNED until Mon., Aug. 26. p. 14431

HOUSE

15. DAIRY PRICES. Rep. Christopher pointed to the 1-day strike of bulk milk truck-drivers of the N. Y. area, which resulted in higher wages, and urged the dairy farmers to join to gain a "fair and reasonable price" for milk products. p. 14432
16. DISASTER RELIEF. Received from the Army Engineers a report on a hurricane survey of Narragansett Bay area, R. I. and Mass. (H. Doc. 230). p. 14475
17. FLOOD CONTROL. Received an Army Engineers report on a flood control survey of the Kaskaskia River, Ill. (H. Doc. 232). p. 14476
18. LEGISLATIVE PROGRAM. Rep. Albert said the conference report on the mutual security appropriation bill will be taken up this week. p. 14471
19. ADJOURNED until Mon., Aug. 26. p. 14475

The draft bill would amend this provision so as to obligate the Panama Canal Company to reimburse the Treasury for the amount of the increase in the annuity effected by the 1955 treaty.

A provision to require the Panama Canal Company to reimburse the Treasury for the full amount of the annuity as increased by the 1955 treaty was included in draft legislation submitted by the Bureau of the Budget to implement the various provisions of the 1955 treaty.

S. 1730, introduced by you on March 27, 1957, incorporated the provisions of the draft recommended by the Bureau of the Budget providing for transfer of certain lands to the Republic of Panama; reduction of the interest-bearing investment in the Panama Canal Company by the book value of the lands so transferred which belonged to the Company prior to the transfer; and reimbursement of the Treasury for the full amount of the annuity paid to Panama. S. 1730 passed the Senate with an amendment providing for reduction of the interest-bearing investment by the market value rather than book value of the transferred lands, and the text of the Senate bill as so amended, was substituted for the language of H. R. 6709 previously passed by the House of Representatives on the same subject.

In conference, the conference committee agreed to omit the section of H. R. 6709, as amended by the Senate, requiring the Panama Canal Company to reimburse the Treasury for the full amount of the annuity paid to Panama including the increase of \$1,500,000 provided by the 1955 treaty. The conference report states that "it was agreed at the conference that this matter of internal accounting as between the Treasury and the Panama Canal Company should more properly be the subject of a separate bill."

The enclosed draft will provide a basis for consideration of this matter in separate legislation as contemplated by the conference committee.

Sincerely,

MERRILL WHITMAN,
Secretary.

PROPOSED FISCAL ACT OF 1957

Mr. MAGNUSON. Mr. President, inflation is one of the major problems facing the country today. Federal spending is a major factor in the trend toward rising costs, since the National Government collects and spends around 20 percent of the gross national income. It is not only important, but also necessary, that Congress be in a better position to judge our national fiscal policies, to eliminate waste, and to provide for necessary spending, on the most economic basis possible.

With this in mind, I am introducing a bill which would make possible the achievement of these objectives. Under the current system in which Congress must deal with measures like civil rights one week, and an appropriation bill the next, it is impossible for an adequate job to be accomplished. Moreover, toward the end of a session like this one, Congress is pressed by the departments to get "something passed" so that salaries and Government obligations can be met.

Mine is a threefold bill which will: First, provide for a regular annual fiscal session to be separate from the session on all legislative matters; second, establish the calendar year as the Government's fiscal year; and third, provide

Federal accounting procedures which would insure a businesslike appraisal of the Government's fiscal position in the light of the President's annual budget.

In the fiscal session of Congress, beginning annually on the second Monday of November and extending until December 31, committees other than Appropriations Committees in either House might still meet, hold hearings, or conduct studies and investigations of matters under their respective jurisdictions, but ordinarily the only measures which would be introduced, reported upon, or enacted, would be money bills.

On the other hand, the present regular sessions of Congress beginning on January 3, and any special sessions, would ordinarily be confined to consideration of all nonfiscal measures. These would be known as legislative sessions.

Treaties, nominations, or other matters whose consideration during a fiscal session is requested by the President as being in the national interest, would provide certain necessary exceptions to the division of congressional business between legislative and fiscal sessions. Action also might be taken on required deficiency appropriations during a legislative session.

I view inauguration of fiscal sessions the logical and most practical solution to the ever-increasing problem of thorough and timely action by Congress on appropriation bills. We in Congress are as responsible to the Nation as the executive branch for the wise and prudent disposition of public funds.

Sandwiching work on money bills into ordinary legislative business makes it almost impossible to meet that national responsibility. By contrast, the fiscal session plan will permit Congress periodically to devote its entire energies to these important matters without the pressure, haste, and confusion which have become too often associated with the consideration of money measures.

Title I of the bill sets up the fiscal session and establishes the difference between this and the legislative session.

Title II of the bill amends title 5, section 256 of the United States Code, and other related statutes, to establish the calendar year as the Government's fiscal year, thus putting the Federal accounting cycle in step with universal business practice. The bill provides that the first calendar-fiscal year will be 1960, commencing immediately after the first fiscal session, in November and December of 1959. Appropriations only for the period July 1 to December 31, 1959, would be made during the session of Congress beginning January 3, 1959.

Title III effects changes in the time of submission and content of the President's budget, amending section 201 of the Budget and Accounting Act of 1921. Beginning in 1959 the budget for the succeeding fiscal year would be required to be submitted on or before July 15 or approximately 4 months prior to the beginning of the fiscal session during which it will be passed upon. The benefits of having the budget published and on record well in advance of its consideration by Congress are obvious.

In order that the fiscal position of the Government be reflected in a more businesslike manner, this title requires the annual budget to incorporate two features not now required by law: First a showing of the amount of proposed appropriations and expenditures which are reimbursable to the Treasury; and second, a report on the total capital assets of the Government and their value, as of the end of the last completed fiscal year.

These items are essential to give Congress and the American people a true picture of the Federal financial position. The effect of the size of the budget as a whole cannot be properly analyzed unless some overall differentiation is made between absolute and reimbursable expenses. Even more important is the long-overdue requirement that some accounting be kept of our Government's capital assets.

It is almost impossible to make an intelligent appraisal of the Nation's solvency in terms of debt alone for the same reason that the indebtedness of a business or of an individual means nothing unless we also know something of their assets. The Federal Government today has the ownership of billions upon billions of dollars of lands, minerals, buildings, capital goods, supplies, and equipment. Inconceivable as it may seem to an outsider, no official accounting has ever been required to show the current value of this property, against which to measure the amount of our national debt. Surely this reform is now, more than ever, demanded.

The measure I am introducing is sincerely recommended for approval by the Senate.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2846) to provide for a separate session of Congress each year for the consideration of appropriation bills, to establish the calendar year as the fiscal year of the Government, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF ANTITRUST LAWS, RELATING TO MONOPOLISTIC ACTS OR PRACTICES BY CERTAIN PERSONS ENGAGED IN COM- MERCE—AMENDMENTS

Mr. YOUNG submitted amendments, intended to be proposed by him to the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, which were ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTI- CLES, ETC., PRINTED IN THE AP- PENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were

ordered to be printed in the Appendix, as follows:

By Mr. JOHNSON of Texas:

Statement summarizing the activities of the National Security Training Commission.

By Mr. DIRKSEN:

Statement entitled "Inflation and What Congress Might Do About It," submitted by Roger M. Blough, chairman of the board, United States Steel Corp.

By Mr. STENNIS:

Statement by R. E. Dumas Milner dealing with the need for industrial development in the South.

By Mr. MONRONEY:

Editorial entitled "On Making Diplomats," published in the Baltimore Sun of August 14, 1957.

By Mr. KUCHEL:

Editorial entitled "Time, Money Is Waiting, Enact the Cordiner Report," published in the San Diego Union of August 20, 1957.

By Mr. HUMPHREY:

Excerpts from speech by John H. MacMillan, Jr., chairman, Cargill, Inc., at Norfolk, Va., on the role of the Commodity Credit Corporation, and an article entitled "United States Said To Rule the Grain Trade," published in the New York Times of August 3, 1957.

Article entitled "In Mora, Minn.: Big Returns, From Small Loans," written by Frank P. Powers, president, Kanabec State Bank, Mora, Minn., and published in the July issue of Burroughs Clearing House dealing with installment lending by country banks.

Article entitled "Five-Star Ambassador," written by Harry W. Flannery, and published in the Ave Maria magazine for June 8, 1957, dealing with the career of Under Secretary of State Robert Daniel Murphy.

By Mr. YARBOROUGH:

Tribute to the late Ted Simmang, published in the Giddings News of July 11, 1957.

By Mr. NEUBERGER:

Excerpt from advertisement by the Great Northern Railroad in the U. S. News & World Report, referring to waterpower development.

By Mr. CHAVEZ:

Article entitled "Chiefs of Staff" published in the Carlsbad Current-Argus of August 4, 1957.

By Mr. WILEY:

Article entitled "MURA Gains in Atom-Smashing Role," written by John Dutton, published in the Wisconsin State Journal of August 21, 1957.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, so we may make a complete and thorough record there.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

Robert B. Anderson, of New York, to be United States Governor of the International Monetary Fund and the International Bank for Reconstruction and Development.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Richard Jackson, of Massachusetts, to be Assistant Secretary of the Navy.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the United States Air Force.

Mr. JOHNSON of Texas. Mr. President, I should like to make a brief statement on the Air Force nominations.

First of all, Brig. Gen. Robert James Smith, whose nomination is included in the list, for a long time has been an outstanding citizen of my State, and has had quite a distinguished career, having served in both wars. He is a very able citizen, who has dedicated his life largely to public service. I am very happy that he has been nominated to be a general in our Air Force Reserve. I have great confidence in him. I am happy that the committee recommended the confirmation of his nomination.

Mr. President, I ask unanimous consent that the Air Force nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the Air Force nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I am very happy that the nomination of Brig. Gen. Robert James Smith has been confirmed. I wish to express my hearty congratulations to General Smith.

Mrs. SMITH of Maine. Mr. President, I opposed the Montgomery and Stewart nominations but I did not oppose any of the other nominations because I did not feel that it was fair to block nominees Herndon and Bradshaw who had excellent records of long participation in the Air Force Reserves. I am certainly not enthusiastic about the Reserve participation records of nominees Henebry, Smith, Alison, Larson, Stiles, Potts, and DeBrier. But their records were not to be put in the same class with those of Montgomery and Stewart. And I could not conclude that they, too, should be rejected merely because Montgomery and Stewart had been.

The member of the committee who opposed me in this matter expressed his feeling that fairness to all parties concerned required that my statement to the committee should be printed and made public. I am happy to comply with his expressed feeling and desire in this regard, and so I now submit the text of my statement made yesterday morning to the committee, and ask that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Mr. Chairman, I have gone into these nominations very deeply and were I to make

a full presentation of the objectionable matters about them it would take 3 hours of the time of the committee. I shall not impose upon the committee, but rather limit my statement to a few minutes. If the committee should want my full statement on any of the nominees I shall be happy to give it.

To set these nominations in proper perspective, we must first look at the record of the Air Force itself on these nominations. It is a record of repeated and direct misrepresentations to the committee, a record of extensive false testimony on these nominations, a record of attempts to make a wholesale rewriting of the transcript of the hearing before it was printed.

General O'Donnell sought to change his answers on 62 of the 83 pages of his testimony—on 43 of the 49 he gave in answers to my questions. General O'Donnell gave false testimony with respect to the J. B. Montgomery nomination; General O'Donnell gave false testimony with respect to the James Stewart nomination; General O'Donnell gave false testimony with respect to the Robert Smith nomination; General O'Donnell gave false testimony with respect to the John R. Alison nomination; General O'Donnell gave false testimony on the John Henebry nomination; General O'Donnell gave false information on the Jess Larson nomination.

For example, at page 34 of the hearing record General O'Donnell gave false testimony in challenging my observation that after Montgomery resigned from the Regular "That is incorrect, Senator." Yet later at page 79 the Air Force retracted this misrepresentation then been commissioned in the Reserve. He interrupted me with the flat statement of "That is incorrect, Senator." Yet later at page 79 the Air Force retracted this misrepresentation made by General O'Donnell and admitted that my statement was true and accurate.

At page 45 in connection with the Stewart nomination I asked if it were not true that an overwhelming number of rated Reserve Air Force Generals were either command pilots or senior pilots instead of having the lowest rating of just pilot like Stewart. General O'Donnell's answer was an unequivocal and vigorous "Oh, no. Definitely not." Yet later General O'Donnell tried to have the transcript changed so that his answer would read "Yes" instead of "Oh, no. Definitely not." And the Air Force so requested that change in its letter of correction at page 80 of the hearing in the appendix. Information subsequently submitted by the Air Force revealed that there are 21 rated Air Force Reserve generals and that 10 of that number are either command pilots or senior pilots and that only 2 hold the lowest rating of mere pilot (see p. 46).

At page 28 of the hearing when I observed that Brig. Gen. Robert J. Smith, at that time had had no 15-day active duty training tour since 1950, General O'Donnell gave directly false testimony to the committee and challenged my observation by stating flatly that General Smith served on duty from the 10th to the 31st of December 1958. When I said that the record did not show that, General O'Donnell repeated and persisted in this false testimony and misrepresentation to the committee. Yet, the truth is that my observation was truthful and accurate. The Air Force records show that General Smith was not on duty at any time during the period of December 10 to 31 of 1956—and that he had not performed, at the time of the hearing, a 15-day tour since 1950. Later General O'Donnell sought to have stricken from the printed hearing record this false testimony that he had given. The correction was later made in the Air Force letter of correction in the appendix of the hearing at page 79.

- 3 -

Mar. 25, 1958

By Sen. Johnston, to amend section 7 of the bill to provide that products manufactured from upland or long-staple cotton shall be made available for sale under title I as long as cotton is in surplus supply. p. 4323

Rejected the following amendments:

By Sen. Case, S. Dak., by a vote of 25 to 58, which he explained would have provided "that foreign currencies received from the sale of agricultural commodities should, first of all, be credited to the advances which have been made by the CCC, so that the accounts, so to speak, with respect to the surplus commodities would no longer be charged with the moneys involved here, after the payment had been received. The second point is that when the money had been received, and the CCC accounts had been squared up, the money would rest in a foreign currency fund within the Treasury, from which it would be disbursed in specified amounts by appropriation bills to be acted upon by the Congress." pp. 4318-22

By Sen. Jenner, as modified by an amendment by Sen. Bridges, which would have further defined "friendly nation" under the act as "any nation which has not assured the President directly or indirectly it will not support the Soviet Union, the Communist government of China, or any other Communist government, in event of hostilities between such government and the United States." The vote on the modified amendment was 24 to 53. pp. 4323-31

By Sen. Williams, by a vote of 38 to 42, which would have limited extension to titles I and II of the act to one year, or to June 30, 1959, instead of for two years. pp. 4331-35

13. MEAT PACKERS. S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC was made the unfinished business. pp. 4337-38
14. FARM HOUSING. Sens. Cooper and Sparkman commended the Secretary's announcement of expanded loan programs for construction work on farm housing and grain storage facilities. pp. 4345-46
15. EXPORT-IMPORT BANK. After reconsidering the action of Mar. 3, 1958, in passing S. 3149, to increase the lending authority of the Export-Import Bank of Washington, the bill was again passed without amendment. pp. 4335-37
16. FORESTRY. The Interior and Insular Affairs Committee reported with amendments S. 2318, to provide for the conveyance of certain Forest Service lands to Salem, Ore. (S. Rept. 1405). p. 4297
17. WHEAT IMPORTS. The Agriculture and Forestry Committee reported with an amendment S. 666, to increase the duty on imported wheat treated with poisonous substances which is unfit for human consumption (S. Rept. 1406). p. 4297
18. FARM PROGRAM. Sen. Proxmire criticized the Secretary's farm policies, and inserted an article quoting former Congressman Hope as being critical of these policies. pp. 4301-02
Sen. Humphrey inserted a series of articles sponsored by the United Press "giving the pros and cons of farm issues confronting the country," including an article by himself and by the Secretary. p. 4341-42
19. DAIRY INDUSTRY. Sen. Thye inserted a letter from the Nat. Independent Dairies Assoc., commending him for his "interest in the problems of the small-dairy man." p. 4316

20. WILDERNESS AREAS. Sen. Symington inserted several articles favoring legislation to establish more wilderness areas from the public lands of the U. S., including forest lands. pp. 4304-05
21. FARM POLICIES. Sen. Humphrey inserted the recent address of former President Truman before the Farmers Union convention in which he discussed farm policies. pp. 4339-41
22. ECONOMIC CONDITIONS. Several Senators discussed and inserted material on the current economic situation. pp. 4299-4300, 4346-46, 4342-44
23. MEAT PRICES. Sen. Williams inserted a newspaper article, "Top Steer Prices Hit Highest Level Since 1952 on Heavy Demand - Hogs also Show Gain." pp. 4344-45
24. LEGISLATIVE PROGRAM. Sen. Gore announced that the House amendments to S. J. Res. 162, to freeze price supports and acreage allotments, may be taken up today, Mar. 21. Sen. Knowland objected to consideration of the measure at that time. p. 4348

ITEMS IN APPENDIX

25. WATER RESOURCES. Extension of remarks of Sen. Mundt commending and inserting an address by Charles I. Danforth, president Miss. Valley Ass'n, "Water Resources in a Growing Economy." pp. A2633-4
26. PERSONNEL. Extension of remarks of Sen. Neuberger commending the Nat'l Ass'n of Retired Civil Employees, urging increased annuities, and inserting an article "'NARCE,' A Group of Civil Veterans." pp. A2635-6
27. RECLAMATION; ELECTRIFICATION. Extension of remarks of Sen. Yarborough describing the "tremendous" importance of the development of the McGee Bend Dam, in east Texas. pp. A2636-7
Sen. Johnston inserted an article discussing the great value to Ga. and S. C. of the proposed Hartwell Dam. p. A2637
28. FARM PROGRAM. Extension of remarks of Rep. McGregor expressing hope that the majority of the Agriculture Committee will "recognize that a program is needed which will ultimately allow us to get rid of controls..." pp. A2637-8
Extension of remarks of Sen. Proxmire stating that "It appears, Mr. President, that the civil service economists at the Department issued a report on the farm population situation which Mr. Benson does not want to permit the public to see"; and inserting 2 newspaper editorials, "Reuss May Ask Probe In Burning of Books on Farm Statistics," and "The Case of Burned Agriculture Department Booklets is Growing Hotter." pp. A2640-1
Extension of remarks of Sen. Neuberger inserting an article, "Oregon Crops Register Gain During 1957, But Profits to Farmers Prove Elusive." pp. A2648-9
Extension of remarks of Rep. Dwyer inserting an editorial, "Chosen As the Whipping Boy," and stating that "it thoughtfully discusses some of the real problems involved in administering a Federal agriculture policy..." pp. A2656-7
Extension of remarks of Rep. Schwengel inserting remarks of Richard Stephens, farmer and State (Iowa) representative, concerning various farm problems and raising some questions about the "farmer's dilemma in today's market." pp. A2688-70

The responsibility for reconciling our expenditures, our obligations and our taxing power, rests on Congress.

It is not the responsibility of the Budget Bureau, or the executive branch, or the President, or the committees of Congress.

It is the responsibility of the Congress as a whole.

Every Member, from every State, is responsible.

The legislative power is clearly vested in the Congress.

The chief legislative power, next to making war, is the power to commit the people's earnings for precisely defined purposes, and within sound political and economic limits.

I repeat—I do not believe Congress can ever be justified in voting a commitment of \$2 billion, for any purpose whatever, without the fullest notice, on the calendar and in the CONGRESSIONAL RECORD, and after a real—not a perfunctory—quorum call.

Surely we should not condone the authorizing of 2 billions of new liabilities on the American people, with so little participation by the Senate as a whole.

A similar situation arose in connection with the Senate's advice and consent to treaties, binding us in foreign policy.

After the spectacle of a treaty passed when only 1 or 2 Senators were present, the Senate changed its procedures to call for a yea-and-nay vote on treaties.

I believe the strain on our finances is so great today that no bill which authorizes the spending of billions, or commits the credit of the Federal Government, should pass the Senate without a record vote.

AMERICAN WORKINGMEN AND INVESTORS FINANCING THEIR OWN COMPETITION

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. JOHNSON] is recognized.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, I ask unanimous consent that I may be permitted 3 or 4 minutes to ask a few questions of the distinguished Senator from Indiana.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from Nevada for 2 minutes, so that he may ask questions of the Senator from Indiana.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from Indiana if the Export-Import Bank is not a bank set up especially to loan money to foreign nations to build manufacturing and processing plants and to employ the cheap labor of the foreign countries, furnishing the markets of those countries and sending the sweat shop labor products into this country?

Mr. JENNER. The Senator is correct.

Mr. MALONE. There are three other organizations; the International Monetary Fund—organized by Harry Dexter White—the International Bank for Reconstruction and Development, and the International Finance Corporation—all loaning money to foreign nations and to American corporations to build plants in foreign cheap labor countries to compete in American markets under the 1934 Trade Agreement Act—the so-called Reciprocal Trade Act.

Mr. JENNER. The International Monetary Fund?

Mr. MALONE. Yes. Those other three organizations not only loan money to foreign countries, but they loan money to American corporations, so that they may go abroad to build such manufacturing and production plants and ship the materials produced by cheap labor into the United States.

Mr. JENNER. The Senator is correct.

Mr. MALONE. Using cheap labor for that purpose?

Mr. JENNER. That is correct.

Mr. MALONE. Does the distinguished Senator from Indiana believe that process is of benefit to the United States and a help in employing American workmen now going out on the streets in droves and for the protection of Americans in shops?

Mr. JENNER. No. I think it is a detriment. I think the Senator put it very well when he said that if we keep on doing this Walter Reuther one of these days will be riding down the streets of America in a foreign-made automobile waiving at the workers of America who are unemployed because of such policies.

Mr. MALONE. I said that 4 or 5 years ago, and many thought it was a joke, but they are on the street now.

Is this Mr. Waugh, the President of the Export-Import Bank, the same person who represented the United States at Geneva, where the 36 foreign nations are dividing our markets among them under the General Agreements on Tariffs and Trade—GATT—organized under the 1934 Trade Agreement Act?

Mr. JENNER. That is correct. He was with the Department of State before he went to the Export-Import Bank.

Mr. MALONE. When those countries agree to lower tariffs in their multilateral trade agreements, is not that obligation waived so long as they can show they are short of dollar balances?

Mr. JENNER. That is correct.

Mr. MALONE. As a matter of fact, then they are not bound to keep the trade agreements with us. However, we are bound and are the only free-trade nation in the world; they protect themselves—their nation from imports—through tariffs, import permits, exchange permits, and manipulation of the price of their money in terms of the dollar for trade advantage.

Mr. JENNER. I think the Senator is correct.

Mr. MALONE. The taxpayers of America—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator an additional minute.

Mr. MALONE. The taxpayers of America, the workingmen and investors of this Nation are financing their own cheap-labor competition—their very downfall; is that not correct?

Mr. JENNER. There is no question about that. Let us finish this debate some other day, if that is agreeable to the Senator.

Mr. MALONE. All right.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time, with the understanding that the Senator from Indiana will yield back the remainder of his time; and I ask for a division on the passage of the bill.

Mr. JENNER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on final passage of the bill. On this question a division has been requested.

On a division, the bill (S. 3149) was passed, as follows:

Be it enacted, etc., That the Export-Import Bank Act of 1945, as amended, is amended—

(1) by striking out "\$4,000,000,000." from section 6 and inserting in lieu thereof "\$6,000,000,000."; and

(2) by striking out "\$5,000,000,000." from section 7 and inserting in lieu thereof "\$7,000,000,000."

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEATPACKING COMMERCE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 706, Senate bill 1356.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON].

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (36 Stat. 632; 15 U. S. C. 45 (a) (6)), is amended to read as follows:

"(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the acts to regulate commerce, and air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

(b) Section 2 (a) of the Packers and Stockyards Act, 1921, as amended (42 Stat.

159, as amended; 7 U. S. C. 182), is amended by striking out:

- (1) paragraph (3) thereof; and
- (2) paragraph (5) thereof.

(c) The title of such act (7 U. S. C. 181, et seq.) and the title of the act where it appears in the preamble of the act of August 14, 1935 (49 Stat. 648), are amended by striking out the words "livestock products, dairy products" and the words "poultry products, and eggs."

(d) Section 2 (b) of such act (42 Stat. 159; 7 U. S. C. 183) is amended by striking out the words "and meat-packing industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs," and inserting in lieu thereof the words "industry, and whereby livestock."

(e) Title II of such act (42 Stat. 160; 7 U. S. C. 191-195) is repealed.

(f) Sections 401 and 403 of such act (42 Stat. 168; 7 U. S. C. 221, 223) are amended by striking out, in each such section wherever they appear, the word "packer," and the words "packer or any live poultry dealer or handler."

(g) Section 502 (a) of such act (49 Stat. 648; 7 U. S. C. 218a (a)) is amended by striking out the words "packers as defined in title II of said act and railroads," and inserting in lieu thereof the words "a railroad."

(h) Section 502 (b) of such act (49 Stat. 648; 7 U. S. C. 218a (b)) is amended by inserting, immediately after the words "this act," the words "or the Federal Trade Commission Act."

(i) Section 503 of such act (49 Stat. 649; 7 U. S. C. 219b) is amended by striking out the first sentence thereof.

Mr. JOHNSON of Texas. Mr. President, on behalf of the acting minority leader, the Senator from Illinois [Mr. DIRKSEN], the Senator from Wyoming [Mr. O'MAHONEY], and myself, I send to the desk a proposed unanimous-consent agreement and ask for its adoption.

The PRESIDING OFFICER. The proposed agreement will be read.

The proposed unanimous-consent agreement was read, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the consideration of S. 1356 (Calendar No. 706) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, debate shall be limited as follows:

Two hours upon any substitute and 30 minutes upon any other amendment, motion or appeal, except a motion to lay on the table, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2½ hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. HOLLAND. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

ORDER FOR RECESS UNTIL 11 O'CLOCK A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in recess until 11 o'clock a. m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACTION OF TEXAS RAILROAD COMMISSION IN REDUCING ALLOWABLE OIL FOR APRIL

Mr. JOHNSON of Texas. Mr. President, an item has just come in over the news ticker which darkens an already bleak picture. It reads as follows:

AUSTIN.—The Texas Railroad Commission today slashed the State's oil allowable for April 120,203 barrels daily, and set producing days on a new alltime low schedule of 8.

The total allowable was pegged at 2,444,571 barrels daily.

The Texas Railroad Commission meeting today has cut the oil allowable in April to 8 days—an alltime low schedule.

Mr. President, the Texas Railroad Commission acted as it did out of grim necessity. Under all the circumstances it had no choice.

This news further accentuates the urgency of the situation. It is to be hoped that we will soon get firm action on the important issue of imports.

WHAT BARTER VOTE MEANS

Mr. HUMPHREY. Mr. President, I want the record clear as to what the Senate has done today in voting, 44 to 39, against expanding the Department of Agriculture's barter operations.

We have given a green light to halting barter.

We have gone on record against trading surplus agricultural commodities for which we lack a cash market, and which are costly to store, for materials of which our country lacks enough, and which are less expensive to store.

The majority of the Senate has rejected an opportunity to save upwards of \$100 million a year in storage costs.

The Senate rejected the experienced advice of American business firms engaged in grain exports, and has taken instead the advice of the politicians of the Department of Agriculture which, to say the least, have a sorry record of marketing operations.

The Senate has in effect said protection of foreign producers is more important than protection of our own farm producers.

The majority of those present and voting has turned down a chance to aid our farm producers and mineral producers at the same time, by restricting barter that would have automatically moved more of the mineral supply into tightly locked stockpiles and thereby

bolstered prices for supplies remaining on the free market.

In view of all the confusing distortions used to bring about this result, I am not surprised by the result.

The record is quite clear as to what this action, unless it is reversed in the other House, will do to future barter operations by the Department of Agriculture.

All the legislative history and hearing testimony show the Department, under existing law, has imposed restrictions virtually halting barter operations.

The entire purport and objective of the proposed legislation was to tell the Department the Senate wanted that action reversed—that Congress wanted barter resumed.

The Senate has now said just the opposite. It has put the stamp of approval on restrictive regulations imposed by a Department official who has openly said he is against all barter. Approval of his policies can only be accepted by him as a mandate to quit using one of the effective tools Congress has created for him in the past for disposal and sale of farm surpluses.

In view of the vote, it will be significant to see in the future which Members of this body complain about the surplus they refused to help move—and which Members of this body complain about the cost of storage for farm commodities they refused to help curtail.

It is also interesting to see who is really interested in supporting private American trade and who expressed a preference for keeping marketing in the hands of the Department of Agriculture, over the objection of the private trade.

I regret that by our action we have formally sanctioned executive repudiation of legislative judgment.

That is what really happened. For several years Congress has made it clear it wanted the Department of Agriculture to engage in barter. The Department decided otherwise. When the Senate was called upon to reaffirm the intent of past legislation, it concurred in the Department's defiance of expressed legislative intent.

Where this can lead no one can tell, but we may have opened a Pandora's box we shall live to regret.

It is particularly regrettable that so much misinformation was used in bringing about this result, misinformation apparently supplied, in large part, by the Department of Agriculture.

To help keep the record straight, Mr. President, I ask unanimous consent to have printed in the Record two telegrams I have just received from responsible American businessmen objecting strongly to erroneous information used in the Senate debate yesterday as part of the effort to reject barter.

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

NEW YORK, N. Y., March 20, 1958.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Mr. AIKEN, we note from the CONGRESSIONAL RECORD of yesterday, implied that four-tenths percent discounts were being allowed under barter to commodity buyers in

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 24, 1958
For actions of March 21, 1958
85th-2d, No. 46

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HIGHLIGHTS; Senate agreed to House amendments to measure to freeze price supports and acreage allotments. Senate debated bill to transfer certain functions under Packers and Stockyards Act to FTC. Conferees agreed to file report on second supplemental appropriation bill. Sen. Mundt and others introduced and Sen. Mundt discussed self-help meat promotion program bill.

SENATE

1. PRICE SUPPORTS; ACREAGE ALLOTMENTS. Agreed, 48 to 32, to the House amendments to S. J. Res. 162, to prohibit temporarily reductions in price supports or acreage allotments below 1957 levels. This measure will now be sent to the President. pp. 4427-9
2. MEATPACKERS. Began debate on S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC. Sen. O'Mahoney explained that he felt the bill merely transferred to the FTC jurisdiction over packers trade practices which it originally had. pp. 4481-6
3. PUBLIC WORKS. Sen. Kefauver became a cosponsor to S. 3497, to expand the public facility loan program of the Housing and Home Finance Agency. p. 4426
4. APPROPRIATIONS. Passed without amendment H. R. 11085, the Treasury-Post Office Department appropriation bill for 1959. This bill will now be sent to the President. pp. 4431, 4454-7

5. FARM PROGRAM. Sen. Humphrey urged that farm groups work together to enact general legislation aiding all commodity groups, and inserted a Farmers' Union GTA broadcast on the recent farm bill message. p. 4432
Sen. Humphrey criticized the alleged destruction of copies of a farm census report, and inserted a news article, "Agriculture Flows Under Report Hinting Policies Depopulate Farms." p. 4433
6. RETIREMENT. Passed with amendments S. 72, to increase annuities payable to certain annuitants from the Civil Service Retirement Fund. pp. 4457, 4472-81
7. SURPLUS COMMODITIES; FOREIGN TRADE. Sen. Javits stated that he was absent during the vote on S. 3420, to extend Public Law 480, and that if he had been present he would have voted Nay on the amendments and Yea on the bill. p. 4431
8. SURPLUS FOOD. Sen. Proxmire urged that legislation be enacted to establish the authority of the Secretary to purchase goods in abundant supply for distribution to needy families, and pointed to poultry as one area in which prices were down to 69% of parity. He inserted a table showing the commodities purchased for distribution by USDA. pp. 4435-6
9. FORESTRY. Sen. Neuberger stated that telegrams opposing S. 3051, to provide alternatives of private or Federal acquisition of the part of the Klamath Indian Forest lands which must be sold under the termination act, were inspired by two lumber associations which had refused to testify on the bills, and inserted an editorial and a resolution of the Ore. Legislature Interim Committee supporting the bill. pp. 4438-9
10. ECONOMIC SITUATION. Several Senators discussed the economic situation and unemployment. pp. 4417, 4431, 4432-5, 4454-4.
11. ROADS. Granted permission for the Public Works Committee to file a report on S. 3414, the Federal Aid Highway Act supplement and extension bill, during the recess of the Senate. p. 4486
12. ELECTRIFICATION. Sen. Humphrey inserted a resolution of the Land O'Lakes Creameries opposing REA interest-rates increases and urging "the REA Administrator be given full authority to approve loans." pp. 4419
13. DAIRY PRICE SUPPORTS. Sen. Humphrey inserted a resolution of the Menahga, Minn. Civic & Commerce Ass'n urging maintenance of the present 82% of parity support for dairy products. p. 4419
Sen. Thye inserted a resolution of the Bertha, Minn., Commercial Club, urging maintenance of the present dairy price supports. p. 4452
14. INTEREST RATES. Sen. Humphrey inserted a resolution from the 7th District VFC of Minn., opposing higher interest rates for GI home loans. p. 4419
15. PERSONNEL. Sen. Humphrey inserted a resolution of the northwestern section of the American Society of Civil Engineers urging higher pay for engineering and scientific employees of the Federal Government. p. 4420
16. SMALL BUSINESS. Several Sens. discussed S. 3194, to provide tax adjustments for small businessmen. pp. 4457-71
17. STATEHOOD; FOREIGN TRADE. Sen. Malone inserted his TV broadcast in which he opposed statehood for Alaska and Hawaii, inserted his minority views in the committee report on the statehood bill, and discussed the current economic situation and the need to allow the Trade Agreements Act to lapse. pp. 4486-91

materially to the present deficiency of about \$18 billions.

That is the language of a letter contained in the report of the committee, the report recommending the passage of the bill.

I yield to no one in the Senate in compassion for my fellow men. I want to help the widows of retired public employees, but I want to do it under a program that is economically sound. This bill covers about 250,000 retired Federal employees.

As lightly as it is sought to be done, one cannot refute the statement in the letter contained in the report that there is a \$18-billion deficiency in the fund.

It is said that a bill will be passed which will take care of the deficiency. I respectfully and humbly ask Senators to meditate on that proposition. How will it be done? Where will the funds come from eventually? There is a debt of \$275 billion. We contemplate reducing taxes and increasing spending. Where will we finally land?

When one reads the report, except for the recommendation of the committee, he finds that it contains practically no word supporting the proposal in the bill about to be passed.

I shall read a bit further from the letter of the Civil Service Commission, on page 3 of the report:

As the central personnel agency for the Federal Government and as administrator of the civil-service retirement system, this Commission recognizes its responsibility for (1) timely and realistic appraisal of benefits of retired Federal employees and their survivors and (2) recommendation for adjustment when warranted.

Realism is the keynote of our policy in this regard. We cannot endorse further upward adjustment of existing annuities unless the additional cost to the taxpayers of our Nation is clearly justified.

The Civil Service Commission said that the taxpayer's burden in meeting this obligation is not justified. Yet the greatest deliberate body in the world will say, "Yes, it is; we will make the increased award. There is an \$18 billion deficiency each year, and the deficiency will grow at the rate of \$500 million annually. But that does not concern us. We assert the problem is simple. We will meet it easily."

Mr. President, talk to the taxpayer and ask him if it is as simple as we pretend it to be.

I wish to subscribe to what the Senator from Delaware has said. Day by day we are voting new expenditures. We find solace in the fact that we delay their payment by 3 years or 5 years. But the day of reckoning will come, Mr. President; and then all the things about which we speak so highly may come to an end.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The question is on agreeing to the amendments submitted by the Senator from Kansas [Mr. CARLSON], which, without objection, will be considered en bloc.

The amendments were agreed to en bloc.

Mr. CARLSON. Mr. President, I offer the amendment which I now send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, in line 3, after the comma, it is proposed to insert the words "on or."

Mr. CARLSON. Mr. President, the reason for the amendment is that an employee who might have retired on September 30, 1956, and whose annuity might have begun, therefore, on October 1, 1956, would not be included, unless the word "on" is added.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. WILLIAMS. Mr. President, I shall not object; but I should like to ask a question: If we advance the date by 1 day, then a man who retired on October 2 would be left out, would he not?

Mr. CARLSON. A man who retired after October 2 would receive his pension or annuity based on Public Law 854.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 72) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 72

An act to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes

Be it enacted etc., That (a) (1) the annuity of each individual who on or prior to October 1, 1956, was receiving or entitled to receive an annuity from the civil service retirement and disability fund shall, in addition to any increase in such annuity heretofore provided by law, be further increased, effective on the effective date of this act or on the commencing date of the annuity, whichever is later, by an amount equal to 20 percent of the portion thereof which does not exceed \$1,500 and 10 percent of the portion thereof which exceeds \$1,500.

(2) No increase provided by paragraph (1) of this subsection shall exceed \$600 per annum for any individual or be computed on any part of the annuity purchased by voluntary contributions. The monthly installment of each annuity so increased shall be fixed at the nearest dollar.

(3) The increase in annuity provided by paragraph (1) of this subsection, when added to the annuity to which such individual is otherwise entitled under the civil-service retirement laws, shall operate to increase the annuity to which each survivor of such annuitant is otherwise entitled under such laws as such survivor and shall be added to such survivor annuity, except that the annuity of each surviving child shall not exceed at any one time a sum equal to the quotient obtained by dividing \$1,200 by a number equal to the number of children then currently receiving annuities.

SEC. 2. (a) The limitation contained in the next to the last sentence of section 8 (d) (1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955 (69 Stat. 692; Public Law 369, 84th Cong.), shall not be effective on and after the effective date of this act.

(b) On and after the effective date of this act—

(1) each increase in annuity provided by subsection (d) (1) of section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955, when added, prior to the application of the increase provided by the first section of this act, to the annuity to which a retired employee is otherwise entitled, shall operate to increase the annuity to which each survivor of such annuitant is otherwise entitled as such survivor and shall be added to such survivor annuity, except that the annuity of each surviving child shall not exceed at any one time a sum equal to the quotient obtained by dividing \$1,200 by a number equal to the number of children then currently receiving annuities; and

(2) section 8 (d) (2) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955, shall not be effective except that the foregoing provision of this subparagraph (2) shall not deprive any survivor who becomes entitled to annuity of any increase for which such survivor is eligible in accordance with such section 8 (d) (2) as enacted by the act of August 11, 1955.

SEC. 3. The widow of an employee where such employee had completed 10 or more years of Federal service and was subject to the provisions of the Civil Service Retirement Act of May 29, 1930, as amended, at the time of his death, on or before April 1, 1948, while in the service of the United States or retired from such service, on or before such date, if such widow had been legally married to such employee or retiree for a period of at least 5 years prior to his death and was not entitled to any annuity based upon the service of such employee or retiree under any other provisions of such act and has not remarried, shall be entitled to receive an annuity equal to one-half of the annuity to which such employee or retiree would have been entitled to receive or received, but not to exceed \$600 per annum. Any annuity granted to a survivor under this section shall commence on the first day and month following the month application therefor has been duly filed with the Civil Service Commission, and shall cease upon the death, or remarriage, of the annuitant.

SEC. 4. The annuities and increases in annuities provided by this act shall be paid from the civil service retirement and disability fund; but such annuities and increases in annuities shall terminate for each fiscal year beginning on or after July 1, 1960, for which an appropriation shall not have been made by the Congress to compensate such fund for the cost, as determined by the United States Civil Service Commission, of such annuities and increases in annuities for such fiscal year. For any fiscal year for which such appropriation shall not have been made, the preceding sections of this act shall not be in effect and annuities and increases in annuities within the purview of this act shall be determined and paid in the same manner as immediately prior to the effective date of this act and as though this act had not been enacted.

SEC. 5. This act shall take effect on the first day of the second calendar month following the date of enactment of this act.

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEAT-PRODUCTS COMMERCE

Mr. O'MAHONEY. Mr. President, I move that the Senate resume the consideration of the unfinished business, which is Calendar No. 706, Senate bill 1356.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment.

Mr. O'MAHONEY. Mr. President, the bill was placed on the calendar of the United States Senate on July 18, 1957.

Mr. MALONE. Mr. President—

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. MALONE. Mr. President, I shall wait until the Senator from Wyoming concludes.

Mr. O'MAHONEY. Mr. President, if the Senator from Nevada will be kind enough to indulge me long enough to permit me to make a statement explanatory of the bill, then I shall yield.

Mr. MALONE. I shall be happy to do so.

Mr. O'MAHONEY. Mr. President, I was about to say that the Senate Committee on the Judiciary reported the bill, with a favorable report, and also with some minority views, on July 18, 1957.

The bill is intended to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes.

There has been deepseated and widespread misunderstanding of the purposes and the effect of this measure. I know, of my own knowledge, that representatives of the American Meat Institute and representatives of the big meatpackers have traveled the entire countryside, have attended conventions of stock growers in various States, and have been trying to persuade the livestock growers of the Nation that the meatpackers are their best friends. How absurd and how silly that argument is, was clearly demonstrated on the television last Sunday night, during the famous Meet the Press program, when the Defense Minister of Western Germany, Mr. Strauss, as I recall, appeared before the interrogators of the press. One of the interrogators, the amiable and very able May Craig, who has a nationwide reputation, asked Mr. Strauss, "Why is it that you Western Germans have not told the Soviet Government what you will accept for a settlement?"

His answer was, "I never knew a farmer who had a cow to sell who would tell the buyer the minimum price that he, the farmer, was willing to take, nor did I ever know the purchaser of a cow to tell the seller the maximum price he was willing to give."

But, Mr. President, strange though it may seem, the big packers have traveled up and down the land in an attempt to persuade the livestock growers—those who raise cattle and sheep—that they can safely rest their fate, their commercial success or failure, in the hands of the big packers. Mr. President, the record before us is a demonstration that that is a mistaken conclusion.

But there is another factor in this situation, Mr. President. I have before me statements which demonstrate conclusively not only that there is a misunderstanding, but also why there is a misunderstanding, of the meaning of the bill.

This evening I shall make only a few brief remarks. I shall do so without suggesting the absence of a quorum and having a quorum call, because I know that the Members of this body read the CONGRESSIONAL RECORD.

I wish to have the RECORD show that the purpose of the bill is—not to take any jurisdiction from the Department of Agriculture—but to restore to the Federal Trade Commission the power it originally had to enforce the Federal Trade Commission Act and the Clayton Act against packers, as well as against all other dealers in commodities which come within the jurisdiction of that body.

Nothing in this bill was devised with the intention of taking away from the Department of Agriculture any of its functions. In order to make that point clear, the cosponsor of the bill, the Senator from Utah [Mr. WATKINS] and I—the two of us have sponsored the bill—have agreed to accept an amendment which has been offered by the Senator from North Dakota [Mr. YOUNG], the Senator from Colorado [Mr. CARROLL], and ourselves. That amendment will make it absolutely clear that the jurisdiction of the Department of Agriculture over the sale of livestock in the stockyards throughout the country—both the large and the small stockyards—will not be disturbed and will not be taken away.

As a matter of fact, existing law provides a minimum size for stockyards over which the Department of Agriculture may exercise jurisdiction. By means of this amendment that limitation will be removed and thus the jurisdiction of the Department of Agriculture will be broadened. These two statements can be made without fear of successful contradiction.

The misrepresentations have clouded the minds of many small packers and have clouded the minds of some Members of this body. However, I desire to point out that the telegrams which have been coming in this week might have been sent before our hearings were closed. The bill was reported on July 18, 1957. There was plenty of time to appeal to Members of the Senate about any errors that were in the bill, but no appeals were made.

Even telegrams that are coming in now from farm organizations are based upon misunderstanding, as is demonstrated, for example, by these two paragraphs which I read from the bulletin of the National Independent Meat Packers Association of February 11, 1958. The heading of this statement is "Jurisdictional Controversy Still Remains Clouded":

As all NIMPA members know, your general counsel and your executive secretary have been working laboriously ever since the January 9 board meeting in Cincinnati to effect some sort of compromise which would satisfy the needs of the entire industry with

regard to the controversy now raging over whether the jurisdiction over the meatpacking industry should remain in the Department of Agriculture or should be transferred to the Federal Trade Commission.

That is not the issue at all, Mr. President. The issue is whether the jurisdiction over the Federal Trade Commission Act and the Clayton Act—the antitrust features of the law passed in 1914—shall be restored to the Federal Trade Commission or left with the Department of Agriculture, with which it was placed by the lobbyists of the big meatpackers in 1921, when they sought to find an umbrella to protect them from prosecution for the monopolistic practices in which they were then engaged.

The bulletin goes on:

We regret to report that at this juncture, it would appear that the Department of Agriculture apparently is indifferent to the viewpoint expressed and proposed by NIMPA, because on Wednesday of last week Secretary Benson publicly announced an action which in no way satisfies the demands of many meatpackers that the mechanism for proper enforcement of unfair trade practice violations be strengthened.

Here is a clear declaration by the National Independent Meatpackers counsel that the action of the Department of Agriculture is not satisfactory to this gentleman. He knows that the Department of Agriculture in the past has failed to enforce the Federal Trade Commission Act and the Clayton Act against the packers. All that we in the majority on the Judiciary Committee want is to provide that the Federal Trade Commission shall have jurisdiction over the Federal Trade Commission Act, and that it shall not continue to be diverted into the hands of the Department of Agriculture, which has not been trained to do the work, which does not have an appropriation to do the work, which does not have the staffs to do the work, and which, if it were staffed, if it were given the appropriation, would be only an overlapping agency attempting to do what an existing agency already was able to do.

PACKERS AND STOCKYARDS AMENDMENT IS FIGHT FOR ECONOMIC FREEDOM

We fight for economic freedom. We appropriate billions of dollars for expenditure at home and abroad with the sole idea that if we do not do so we shall lose both political and economic freedom here at home, as well as abroad.

We struggle against subversion by totalitarian government. We live under a Constitution by which the people of this Nation, 170 years ago, declared that the people of this country were the source of all authority, political, and economic, that could be exercised over them. Our Constitution was drafted by men who proudly believed that people could govern themselves and support themselves and preserve undiminished the right to life, liberty, and the pursuit of happiness by which their Declaration of Independence had declared they had been endowed by their Creator.

OUR ECONOMIC FREEDOM IS THREATENED

We live in an era in which these rights stand in grave danger from authoritarian power, both political and economic. We have seen areas of the

Old World fall under the control of authoritarian dictators. Two great global wars we have fought to prevent authoritarian dictatorship from taking over. Now we are engaged in a cold war, more properly called an economic war, by which our ability to be the leaders of the free world can easily be lost if we do not positively decide, through legislative enactment, that we shall not lose economic freedom here at home. We believe that this Government was established to promote the freedom and the welfare of the human beings who constitute our citizenship. We believe that they are born free, and are determined to keep them free. We cannot, therefore, dare in this hour to temporize with monopolistic economic power, because monopolistic economic power has such an intimidating effect that men who believe in freedom themselves frequently surrender their rights when they are confronted with it.

There came to the staff and members of the committee many representatives of small packers, for example, who said that they believed the jurisdiction to enforce the Federal Trade Commission Act should be restored to the Federal Trade Commission and should be taken away from the Department of Agriculture. But they confessed that they were fearful to act. They were fearful to speak. They asked not to be called as witnesses. They gave us the facts. They showed us how, for example, in some instances they were subjected to tie-in sales.

I have in mind one meatpacker, in a very prominent State of this Union, who was furnishing meat for a large grocery chain, but he was losing that business to a big packer, and the big packer had an agent in its employ on the staff of the grocery chain. He was employed nominally as an adviser, but his advice was given to the extent of persuading the business chain to patronize, not the small packer which had been doing the business satisfactorily, but one of the big packers. I have the name before me. I can confidentially show it to anyone who inquires about it, and give the name of the town in which he operated, but I do not dare to allow the identity of that individual to be learned by any of the meatpackers who have been parading around the country like—well, let me not make an allusion—parading around the country in sheep's clothing, to prey upon the small meatpackers and the individual producers.

Mr. CARROLL. Mr. President, will the Senator yield, or does the Senator desire to complete his speech first?

Mr. O'MAHONEY. I am happy to yield to the Senator from Colorado.

Mr. MALONE. Mr. President, I should like to say that I have deferred to two speakers, and I wish to be recognized. If anyone is going to yield to anyone, I should like to be permitted approximately 5 minutes.

Mr. O'MAHONEY. I understood the question of the Senator from Colorado was relevant to the discussion.

Mr. MALONE. My presentation will be relevant, also.

Mr. O'MAHONEY. I shall be through in only a few minutes.

Mr. MALONE. I hope so.

Mr. CARROLL. May I say to the distinguished Senator from Wyoming a report which came to me in 1956 in Colorado, from Colorado cattlemen, bears out in every detail the facts presented by the distinguished Senator from Wyoming this afternoon.

As a matter of fact, in 1956, as I moved through the stock-raising area of Colorado, cattle prices were declining, while at the same time retail prices for beef were on the increase. I asked the cattlemen what they wanted me to do, and they asked me to support the antimonopoly investigations conducted by the distinguished Senator from Wyoming [Mr. O'MAHONEY].

I now ask the Senator from Wyoming, What is the primary purpose of the legislation now before this body?

Mr. O'MAHONEY. The primary purpose of the legislation is to allow the Federal Trade Commission to administer all the Federal Trade Commission Act and the Clayton Act, which affect the business of packing of meat, leaving with the Department of Agriculture all the functions it now performs with respect to the supervision of stockyards, except that we propose to expand the jurisdiction to some degree by taking away the minimum.

Mr. CARROLL. Would not the Senator say that one of the purposes of the hearings at the outset was to investigate the price spread existing at that time between the producer's price and the retail price?

Mr. O'MAHONEY. Of course that was one of the incidentals. Our investigations have clearly demonstrated there are various violations of the antitrust laws, which we have found to exist.

Let me state some of them for the information of the Senator:

Discriminatory pricing, by which the big packer will give one price to one company, and a different price to another. That charge can be proved.

False and misleading advertising. That charge can be proved.

Tie-in sales have been charged, such as, for example, "If you get this you must buy this also."

All of those are a violation of the laws of free competition.

Mr. CARROLL. Could not the Federal Trade Commission have moved in for an investigation?

Mr. O'MAHONEY. No; because the amendment which the lobbyists for the packers wrote into the bill in 1921 exempts the packers from the Federal Trade Commission jurisdiction. In words and phrases, unfair practices are prohibited in the Packers and Stockyards Act. On July 1, 1927, Secretary W. C. Jardine issued an order to the effect that—and I shall put it in the RECORD in due course—the Packers and Stockyards Administration was abolished in the Department of Agriculture. Instead of having an enforcement agency, we have an agency which has been most sympathetic toward the designs and objectives of the big packers.

Mr. CARROLL. May I ask the Senator from Wyoming: How long has the Department of Agriculture had jurisdiction to conduct such investigations?

Mr. O'MAHONEY.: The Department of Agriculture has had the jurisdiction, but not in 19 years has there been a case.

Mr. CARROLL. Not in 19 years?

Mr. O'MAHONEY. Not in 19 years. I previously pointed out that the economic power of a great company is such that men whose whole life savings are invested in a small meat packing institute sometimes fear to speak their minds, to give their testimony, or to express opposition. It is clear from what I have read of the statement of NIMPA—the National Independent Meat Packers Association—that they are not satisfied with what the Department of Agriculture has done to this date. I am not satisfied. The Committee on the Judiciary is not satisfied.

Mr. CARROLL. The distinguished Senator from Wyoming made some comment about the Young-Carroll amendment, which I understand will be acceptable. The amendment in no way will interfere with the responsibility of the Secretary of Agriculture, will it?

Mr. O'MAHONEY. Not at all. It will broaden the jurisdiction.

Mr. CARROLL. It will broaden the jurisdiction?

Mr. O'MAHONEY. The Senator is correct.

Mr. CARROLL. I thank the Senator.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD the amendment to Senate bill 1356, proposed by the Senator from North Dakota [Mr. YOUNG], for himself, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Utah [Mr. WATKINS], and the Senator from Colorado [Mr. CARROLL].

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 4, after line 24, add the following sections:

(j) The caption to title III, appearing immediately before section 301 of such act (42 Stat. 163; 7 U. S. C. 201) is amended by adding, immediately following the word "Stockyards", the words "and Livestock Transactions."

(k) Section 301 (c), section 301 (d) and section 312 (a) of title III of such act (42 Stat. 163 and 167; 7 U. S. C. 201 and 213) are amended by striking out in each such section, wherever they appear, the words "at a stockyard."

(l) Section 302 (a) of title III of such act (42 Stat. 163; 7 U. S. C. 202a) is amended by striking out the last sentence thereof.

(m) Section 303 of title III of such act (42 Stat. 163; 7 U. S. C. 203) is amended by inserting after the first sentence thereof the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the act may be required to register in such manner as the Secretary may prescribe."

(n) Section 311 of title III of such act (42 Stat. 167; 7 U. S. C. 212) is amended by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer", and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers."

Mr. ALLOTT. Mr. President will the Senator yield, since he has been interrupted, for one question?

Mr. O'MAHONEY. I am happy to yield to the Senator from Colorado.

Mr. ALLOTT. Is the Senator able to state at this point in his argument how many actual cases have been proceeded on by the Department of Agriculture since the amendment to the act was passed, or will the Senator give that information later on?

Mr. O'MAHONEY. I shall read to the Senator the statement made by the Under Secretary of Agriculture in May 1957. This is a statement by Under Secretary Earl Butz in response to a question asked by my colleague, the Senator from Utah [Mr. WATKINS].

Mr. ALLOTT. I know the statement was made by him. I do not have the hearing record before me. I believe that is a very pertinent part of this discussion.

Mr. O'MAHONEY. It is a completely pertinent part of the discussion, and I shall be happy to read it.

The statement of Under Secretary Butz, in reply to the Senator from Utah [Mr. WATKINS] was:

It is quite true that for 26 years it (meaning the Packers and Stockyard Act) has not been adequately enforced.

That was the confession, to use the words of Under Secretary Butz himself, made by the representative of the Department of Agriculture who appeared before our committee.

Under Secretary Butz then said: "But don't you think when the sinner confesses and resolves to do better he should be given a chance?"

Nobody is more ready than I to forgive the sinner and give him a new chance, but the Department of Agriculture has given no evidence as yet of any desire to do better.

We have a confession, but the resolution has not developed. The President in January submitted the budget for the Department of Agriculture for the ensuing fiscal year. This document asks for an additional appropriation of \$225,000 for the enforcement of the Packers and Stockyards Act for the specific purpose of posting the stockyards over which it will still have jurisdiction under this bill. There is, however, in the budget a revealing though unconscious confession that the Department of Agriculture even now is not certain as to the number of eligible stockyards in the country. The table presented in the budget shows there were estimated to be 855 such yards in fiscal year 1957, which ended, of course, on June 30th last, after our hearings had been held. The same estimate is made for 1958 and the same for 1959. In other words, it is clear from the record that the Department has not been sufficiently interested to count the stockyards it is going to post with the \$225,000 it requests Congress to appropriate.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ALLOTT. I appreciate the fact that the Senator has referred to the remarks of the Secretary, because in my opinion history is a very good basis on which to legislate.

It appears rather clearly that in the 37 years this subject has been under the jurisdiction of the Department of Agriculture, it has not acted in a way which

would protect the public and the people of the United States in this field.

Mr. O'MAHONEY. Not only is that true, but by reason of this amendment, which was written into the original Act by the lobbyists, they have created the escape route by which the giant chain stores are escaping from the Federal Trade Commission Act itself.

Mr. ALLOTT. I suppose the Senator, later in his argument—not today in this preliminary statement—will explain the situation more fully. I understand how the situation has come about, but I think everyone will be interested in the explanation. I suppose when the argument is resumed next week the Senator will explain how the situation arose.

Mr. O'MAHONEY. I shall be happy to do so.

CONCENTRATION OF ECONOMIC POWER THROTTLES BUSINESS

For years the concentration of power in the economic field has been undermining the ability of independent free enterprise to survive. We have turned the Treasury of the United States into a banking institution to support both big and little businesses. We had an RFC after the depression of 1929 struck the country. It was designed to place the credit of the Federal Government behind the banks, the insurance companies, the railroads, and other great industrial and commercial institutions which had suffered during the depression. Then we established the Small Business Administration and now President Eisenhower, in his economic message to the Congress, has asked us to amend that law so that SBA may have a permanent existence. From every quarter of the country comes the clamor of those who want to hammer on the doors of the United States Treasury to obtain funds which they cannot get from private sources, and though we talk of peace and prosperity we have neither because we have permitted the concentration of economic power to limit the operation of small and local business.

I shall not here review the facts to prove this statement, but they are available. I desire now to point out only that as long as we are willing to permit huge organizations to merge with one another and to gather more and more control of the commercial and industrial life of the Nation, the more difficult will it be for us to avoid the totalitarian disaster which has overwhelmed so much of the population of the world.

THE PACKERS REMOVED THE SENTRY FROM THE MARKET PLACE

The packers and stockyards amendment of which I speak today (S. 1356) tells a dramatic story of the successful effort of the meatpacking industry to escape regulation in the public interest.

In support of the bill recommended for enactment by the Committee on the Judiciary, I shall show:

That, after the Senate Committee on Agriculture and Forestry reported a bill placing the meatpackers under the jurisdiction of the Federal Trade Commission, the provision was stricken from the bill and the Department of Agriculture was given the jurisdiction over the packers.

That this feat was accomplished by a master triumph of the art of the lobbyist by which the packers were able to persuade the Congress to believe that though they were the purchasers of the products of the farm and the ranch they could be trusted to be the guardians of the economic interest of the producers.

That their only accomplishment was to remove the sentry from the market place.

That the Under Secretary of Agriculture admitted before our committee that enforcement of the law had been inadequate for 26 years.

That again, now that it is proposed to reestablish the Federal Trade Commission as a public sentry to protect the public interest, the packers and the chainstores are once more seeking to convince the Congress that they should be made the sentries.

I shall relate the amazing manner in which the packers and the chainstores in the name of free enterprise have used and are continuing to use every effort to prevent the Congress from exercising its constitutional duties to shield the public interest from monopolistic and unfair trade practices.

I ask you to support this bill because it offers the only method by which Congress may protect the producers on the one hand, the consumers on the other, and effectively close the door of monopoly. It will not make the packers and the chainstores the victims of persecution. It will only notify them that there is a public sentry on guard and that they cannot safely resort to the practices they have performed in the past. This is a bill to protect free enterprise against economic totalitarianism. This is the principle to show the people of the free nations that it is possible for a free people to manage monopoly without dictatorship.

SPECIAL LEGISLATION FOR THE PACKERS

More than 36 years ago Congress passed the Packers and Stockyards Act "to regulate interstate and foreign commerce in livestock, livestock products, dairy products, poultry, poultry products, and eggs, and for other purposes." The purpose of this law, as it was introduced, was to vest in the Federal Trade Commission the power to prevent the adoption of unfair and monopolistic trade practices. The Federal Trade Commission, under order of the President, had made an investigation and discovered that five big packers were in a position through ownership of the stockyards and through ownership of interstate distributing facilities to tell the producers of livestock on the farm and the ranch the prices they must be willing to take for their product and to tell the housewife and all other consumers the prices they must be willing to pay for the meat products they desired to purchase. This is a simple and truthful statement of the concentration of economic power that had been made effective from end to end of the meat industry by the managers of great packinghouses. An anti-trust suit which resulted in a consent decree and the Packers and Stockyards Act, signed by President Warren G. Harding, partially broke up this control. But neither the decree nor the act was

as effective as designed by its authors because—and this I assert on the testimony of Senator Robert LaFollette and others—there were written into the House bill in the writing of the lobbyist for the meatpackers certain amendments which removed the jurisdiction over unfair trade practices and monopolistic activities from the Federal Trade Commission and placed that jurisdiction in the Department of Agriculture.

The amendments, by defining the activities of a packer, removed that single industry dealing in the processing and marketing of livestock and meat products from the jurisdiction of the Federal Trade Commission and placed it in the hands of the Department of Agriculture. By any rules of construction it was special legislation which destroyed the power of the Federal Trade Commission to protect the public interest in the meat processing field. The Trade Commission investigation had proven the monopolistic methods which had been used to dominate the stockyards and control the distribution of meat products. But the lobbyists for the packers launched the campaign with soft words and persuasive phrases to argue that the giant corporations which had won control of the industry were the best friends the farmers could hope to have. So there was written into this law the specific provision that "on and after the enactment of this act, and so long as it remains in effect, the Federal Trade Commission shall no power or jurisdiction so far as relating to any matter which by this act is made subject to the jurisdiction of the Secretary." Thus by special legislation one industry chosen from all the industries in the land was taken out of the hands of the Federal Trade Commission and placed in the hands of the Department of Agriculture.

"A MOST EXTRAORDINARY RECORD," SAYS
LA FOLLETTE

"It is a most extraordinary record," said Senator La Follette on the floor of the Senate, June 17, 1921—page 2707 of the CONGRESSIONAL RECORD. "I think the revelations made by the packers, through the Senator from Utah, are a valuable contribution to the legislative methods that are employed by big interests in securing what they want. They usually know what they want, and this is the system by which they secure it."

Summarizing the story of the progress of the bill in the House, Senator La Follette, the senior La Follette, told of the selection of a special subcommittee of three, carefully selected because of their views, which took the bill originally prepared by Representative Haugen, Republican of Iowa, and went to work to amend it. "This committee," he said, "takes the Haugen bill and writes into it seven important suggestions made by the attorney for the packers—radical suggestions, suggestions that completely changed the character of the bill as it was first introduced—and I hold in my hands here now the Haugen bill with interlineations in the handwriting of that attorney in the bill, which he turned over to Mr. Atkeson, with the changes that the packers desired to have made in the

bill. Then the subcommittee was appointed. They adopted these suggestions. The measure was passed on to the full committee and, without a single change, reported by the committee to the House and passed by the House just as reported. Is not that rather remarkable?

The ways seem to be specially greased for swift action. Without a change, this bill goes from a subcommittee of three through the entire committee of the House, and then it goes through the House of Representatives without any further change whatever.

THE EFFECT OF THE CHANGE

These changes have had a threefold effect.

First, the experienced, the knowledgeable, the effective Federal Trade Commission, fully acquainted with the maneuvers of the monopolists, was removed from jurisdiction over a very vital section of the meat industry which literally affects every family in the land.

Second, that jurisdiction was turned over to the Department of Agriculture, which is not a law-enforcement agency, the members of which never were nor have been to date trained and educated in the enforcement of the antitrust laws. Thus a duplicating and overlapping agency in the field of antitrust policy was established, violating every principle of economy and general, rather than special, legislation.

Third, with the great, modern expansion of interstate and international chainstores, it has afforded them a safe escape route from prosecution by the Federal Trade Commission for any violation of the antitrust laws with respect to any type of food for all they need to do now is to acquire some real or simulated activity that a smart lawyer may argue to be within the definition of a packer.

CHAINSTORES MANAGE TO AVOID REGULATION,
TOO

The 7 largest chainstores in America, from Food Fair, operating in 7 States, through 238 different outlets, selling in 1956 \$475 million worth of goods, to the Atlantic & Pacific Tea Co., operating in 40 States, the District of Columbia, and 2 Provinces of Canada, through 4,650 outlets, with sales of \$4,304,990,000 in 1956, have now voluntarily registered within the Department of Agriculture as packers. In the case of Food Fair, when it was charged with violation of the Federal Trade Commission Act with respect to its handling of certain food products, it successfully denied the jurisdiction of the Federal Trade Commission by proving that it had purchased a packing plant costing about \$4 million, a sum less than 1 one-hundredth of its total sales in 1956.

These giant food chains—A. & P., Safeway, Kroger, American, National Tea, First National, Food Fair—now, by reason of the magnitude of their business throughout the country, stand in the position of being able to put the squeeze on the big packers. The latter, in turn, are now back in court again trying to secure a modification of the consent decree of 1920 by which they were barred

from the ownership and control of distributing facilities.

AGRICULTURE DEPARTMENT HAS FAILED TO
ENFORCE LAW

For 30 years the Department of Agriculture has acknowledged no interest in the enforcement of the antitrust features of this law. Secretary W. C. Jardine, on July 1, 1927, issued an order abolishing the Packers and Stockyards Administration and transferring its functions to the Bureau of Animal Industry, which was then regarded and has since continued to be a morgue for the body of the law of the Packers and Stockyards Act.

Not only is that true, but in a formal response to a letter which I addressed to the Secretary on January 7, 1957, Assistant Secretary Don Paarlberg told me that the Livestock Division had "made a preliminary request for the Packers and Stockyards Branch of an increase in appropriation of \$396,000 for the fiscal year 1959, about one-half of which was intended for strengthening of title II enforcement. * * * The 1959 budget estimate of the Department provides an increase of \$225,000." In other words, upon the testimony of the Department itself, though the Livestock Division had requested \$396,000 additional, the Department of Agriculture itself cut the appropriation back by \$171,000 to \$225,000.

I have no hesitation in saying that the Department of Agriculture is not equipped to enforce this act, has no desire to enforce this act, and has proven by its own budget that it does not know the size of the job it is allowed to undertake and has cut back the amount of the appropriation the Livestock Division requested for that title of the Packers and Stockyards Act which transfers the monopolistic jurisdiction from the Federal Trade Commission to the Department.

By its own action the Department of Agriculture has demonstrated that enforcement of the Federal Trade Commission Act by that agency is a duplication of effort. It violates every principle of economy.

PACKERS ARE NOT GUARDIANS OF PRODUCERS'
INTERESTS

We profess to believe that we have confidence in free enterprise, but we find the central organization representing the packers, namely, the American Meat Institute, traveling from State to State around the country trying to convince farmers and ranchers that the packers are the friends and the defenders of the producers of livestock and the consumers of meat products.

Once again the propaganda effort of 1921 is in full swing. "We are the friends of the livestock man," proudly proclaim the processors of cattle, sheep, and hogs. "We know what your interest is. We will safeguard it. Big Government will ruin you with its antitrust laws. Let the Department of Agriculture take over the task."

He would be a naive producer who would believe that anybody in an organization of the meatpackers was concerned about making certain that he received the proper market price for any cow he ever sold for slaughter, or any sheep, or any hog, and it would be a

naive housekeeper who would believe that the meatpackers and the gigantic chainstores distributing meat and food products to the country were not more concerned in making a pretty profit for themselves than in saving the housekeeper's \$5 bill.

The Packers and Stockyards Act was passed in 1921 because corrective action was needed. The packers, lobbying for themselves, traveling the country in sheep's clothing, posing as the sentries of the livestock producers, cut the throat of the Federal Trade Commission. The record of 30 years shows that corrective action was not taken. Now that other giant interstate and international food chains are entering the picture seeking to avoid the supervision of the people's sentry, the drama condemned by La Follette and Norris and Kenyon and Schall 30 years ago is being repeated and for only one purpose, namely, that the big packers and the big chains shall be given a new opportunity to fasten monopolistic control over a most vital industry. Because an antitrust agency in the Department of Agriculture is a duplication it would require larger appropriations than either the Bureau of the Budget or the Department of Agriculture has recommended. The Federal Trade Commission needs no additional appropriations because it has the necessary staff and it ought to have the power. The only beneficiaries of the defeat of this bill would be the giant packers and the giant food chains.

Let not the little packer who has been persuaded to join the American Meat Institute believe that he is the pet lamb of the big packers and the chains. The Department of Agriculture Marketing Services told us that in April, 1957, Swift, Armour, and Wilson, namely, the 3 big packers instead of 5 as was the case 30 years ago, accounted for 64.7 percent of all the sheep slaughtered in America, 56.4 percent of calves slaughtered, 38.5 percent of cattle slaughtered, and 48.9 percent of hogs slaughtered. The interest of the little packers is identical with the interest of the individual producer and of the consumer—identical, I say, because I still adhere to the basic principle of our Government, that industry in America should be free. It should not be controlled by Government; neither should it be controlled by any private group. Competition and free enterprise are the ideals about which we talk on July 4, but they are not the ideals of those who desire to hinder, delay, and destroy the power of Government to enforce the antitrust laws of Congress.

The enactment of this bill, by the mere fact of restoring the power to the Federal Trade Commission where it belongs, will serve notice upon both packers and chainstores that Congress means that the antitrust laws should be enforced. That will have the immediate effect of inducing both packers and food chains so to operate as to avoid the likelihood of any prosecution.

ORDER FOR RECESS TO NOON ON MONDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR PUBLIC WORKS COMMITTEE TO FILE REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Public Works be permitted to file a report on the road bill during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PRINTING OF MINORITY VIEWS IN CONNECTION WITH ROAD BILL REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the minority views in connection with the road bill report be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEHOOD FOR ALASKA AND HAWAII—UNEMPLOYMENT—DEPRESSION—CBS PROGRAM, MARCH 2, 1958

Mr. MALONE. Mr. President, on Sunday, March 2, a canned program was broadcast over the Columbia Broadcasting Network on the Murrow hour.

My part of that program was kinescoped in Washington on Thursday, February 20, 10 days prior to the broadcast.

About one-half of my part of the original recording was edited out, with my consent, since I have always trusted editors and radio and television people. However, I learned about New York television editing from Mr. Murrow. The next time it will be a live program, or no editing by the sponsor.

Since a point has been made of my statements—edited by Mr. Murrow—I think the public should at least have the context of the edited broadcast. I have been unable so far to get the complete unedited kinescope.

I ask unanimous consent to have printed in the RECORD at this point, the context of the edited broadcast.

There being no objection, the text of the edited broadcast was ordered to be printed in the RECORD, as follows:

Mr. MURROW. Mike Stepovich, like his Democratic opponents within the Territory, is willing to let Alaska's case be judged by the arguments of those who oppose statehood. One of these is United States Senator GEORGE W. MALONE, Republican of Nevada, who wrote the minority report. You are against statehood for Alaska. Why?

Senator MALONE. For 180 years, Ed, everybody's been opposed to statehood for any noncontiguous area. That is, the majority.

We've never taken one. This is not the first application. Once you take a noncontiguous area as a State, then there's nothing to prevent 8 or 10 noncontiguous areas including island areas.

Mr. MURROW. You mean like—

Senator MALONE. And then the whole complexion of the United States Senate is changed. Once you take a noncontiguous area, they break this ice. So you get two Senators from Alaska. Then you get two from Hawaii. Then Puerto Rico comes in—no excuse then. Six. You take Formosa. Why not? There's more Chinese—as many Chinese in Hawaii as there is in Formosa. Take the Philippines. First thing you know 10 or 15—16 offshore Senators on that Senate floor. It's the balance of power—you just go off the deep end—one-worlders, and one world free immigration, free trade—that's the ultimate objective, Ed. You ought to think this thing through. What are you going to do with Canada in between? I think in the long run it may be a good many years, but some time you may take all of the Western Hemisphere in one contiguous group. Mexico's a contiguous—nation. Canada's a contiguous nation. That's about the size of it.

If we took Canada we can take Alaska. Let me tell you something about America. You'd think the way everybody talks we're a peaceful nation. We are not a peaceful nation. We took every scrap of land in this United States. We said we paid for it. We didn't pay very much, and if they hadn't sold it, we'd have taken it.

If we had the population of Europe—they have twice the population of the United States and half the area—if we were in that position we'd take Mexico in the morning—before breakfast. We've always done it. You think this is the last. There are many people want us to take these European nations as states, and the proposal was made right through the State Department the last time they were over there, that when the—this group of United European nations get ready then join the United States on an equal basis, and I'm not for that.

Mr. MURROW. And you don't see any advantage that would accrue to us from Alaskan statehood?

Senator MALONE. Could not possibly be any advantage.

Mr. MURROW. Not militarily—not economically?

Senator MALONE. No. Could it be an economic advantage when they can ship their stuff here. There is—no tariff—just like between our States. They have all the advantages—if they want to elect their Governor; if they want to appoint their supreme court judges and they want other economic advantages which Puerto Rico has, I have a bill in the Senate for that and for Hawaii—and you'll find if you read that bill it makes considerable sense.

Mr. MURROW. Well, Senator, in 1860, when Nevada became a State, I believe there were only about 9,000 people living there then. Is that right?

Senator MALONE. We produced about a billion dollars of gold and silver that Mr. Lincoln needed pretty bad and they took it in as a State, but you know you could get out and in from Nevada. You crossed Nevada to go some place. It was an inside State—a contiguous area. So was all the rest of these States. Arizona didn't come in until much later. But they're contiguous areas. So you know what you're doing with them, and you see them every day. Your information is wrong on a lot of things, Ed. You know, I've told you that.

Mr. MURROW. All right. Go ahead.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 25, 1958
For actions of March 24, 1958
85th-2nd, No. 47

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HIGHLIGHTS: House received conference report on second supplemental appropriation bill. Senate referred back to committee bill to transfer certain functions under Packers and Stockyards Act to FTC. Senate passed bill to grant relief to certain farmers who overplanted wheat acreage allotments. (Continued on page 6.)

HOUSE

1. APPROPRIATIONS. Received the conference report on H. R. 10881, the second supplemental appropriation bill for 1958 (H. Rept. 1544) (pp. 4591-2). The attached table explains the actions of the conferees regarding USDA items. Note particularly footnote e/ regarding \$3,000 limitation on acreage reserve payments.
2. FOREIGN TRADE. Both Houses received from the Export-Import Bank a report on its activities, July-Dec. 1957. pp. 4494, 4601
3. SURPLUS PROPERTY. Received from the International Cooperation Administration a report on its foreign excess property disposals during 1957. p. 4601
4. FLOOD INSURANCE. Received a Ky. Legislature memorial urging Congress to implement the Federal Flood Insurance Act of 1956. p. 4603
5. TEXTILES. Received Mass. Legislature memorial urging Congress to enact legislation "protecting textile, fishing, and other historic industries." p. 4603

6. FOOD ADDITIVES. Received a petition urging enactment of H. R. 7798, to protect the public health by controlling the addition of chemical additives to food. p. 4603
7. SCHOOL LUNCHES. The Health, Education, and Recreation Subcommittee ordered reported to the D. C. Committee with amendment S. 1764, to authorize payment of the cost of free lunches for needy children in the D. C. public schools (reported in place of H. R. 6811). p. D249
8. LEGISLATIVE PROGRAM. Rep. McCormack announced that the business before the House Mar. 25 would be H. R. 10881, the second supplemental appropriation bill, H. R. 11470, the military pay raise bill, and H. R. 11574, the independent offices appropriation bill for 1959. p. 4593

SENATE

9. MEATPACKERS. Agreed to a unanimous consent request by Sen. Johnson to refer S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC, to the Committee on Agriculture and the Committee on the Judiciary with instructions that the bill be reported back with the recommendations of the Committee on Agriculture and Forestry not later than Mon., April 21, 1958. (pp. 4516-17) Senators O'Mahoney, Watkins, and others discussed this proposed legislation. (pp. 4564-89)
10. WHEAT. Passed without amendment H. R. 11086, to grant relief from penalties to certain farmers who overplanted their wheat acreage allotments. A similar bill, S. 3406, was indefinitely postponed. (pp. 4523-25) This bill will now be sent to the President.
11. CORN. Agreed to the conference report on H. R. 10843, to permit soil bank payments to certain corn producers in the commercial area who exceed their corn acreage allotments. Sen. Holland inserted the following statement in explanation of the report:

"The conference substitute differs from the Senate amendment to H. R. 10843 in that it extends its provisions to all 1958 acreage reserve contracts in the 38 counties first included in 1958 in the commercial corn-producing area. As related to acreage reserve contracts the Senate amendment covered only those 1958 contracts, executed prior to January 1, 1958, which would have meant that only winter wheat acreage reserve contracts entered into last fall would have been covered.

"The House bill differed from the Senate amendment in two respects in the case of acreage reserve contracts. The House bill covered all 1958 acreage reserve contracts in the 38 new counties, but did not apply to acreage reserve contracts for any subsequent year. The Senate amendment applied only to acreage reserve contracts executed prior to January 1, and would be applicable to 1959 acreage reserve contracts if there should be an acreage reserve program for 1959.

"The conference substitute adopts the House provisions with respect to covering all 1958 acreage reserve contracts and the Senate provision with respect to covering 1959 acreage reserve contracts.

"Both the House bill and the Senate amendment provided exemption from the requirement of cross-compliance with corn acreage allotments for all conservation reserve contracts entered into prior to January 1 of the first year in which the county was included in the commercial corn area. This exemption is a permanent one and is retained in the conference substitute." pp. 4545-46

contemporary comment. Nor is that comment likely to be remarkable chiefly for its detachment and perspective. Herbert Lehman is not detached when it comes to the struggles of our day; he is still in there fighting. It is not so much age and maturity that strike you; it is a mind and a vigor that refuse to grow old.

If you talk to him these days, his first concern is our current crisis—the crisis of economic stagnation in America, the leaderless drifting of the free nations abroad. He attacks strongly the choice he believes the administration is trying to make between guns and butter, between security and welfare.

"Why can't we realize," he says, "that the answer to both problems lies in our ability to grow? Here we are in a recession. I don't think it will be on the scale of 1929. On the other hand, I do not think the President was right in suggesting an upturn this spring. But why, why do we permit a falling off in production at all? We need a great reservoir of strength with which to counter the Russians, and certainly we are not going to build one by allowing production to decline."

"The only sane way to look at our economy is on the basis of need. We need defense—but we need education, housing, and health expenditures fully as much. Yet the administration seems not to realize that it is precisely by budgeting for our basic needs that the Government can play its part in stimulating our economy to steady expansion. To talk of what we can afford makes no sense at all since by deciding not to afford, say, schools or houses, we help to perpetuate the recession and so deprive ourselves of the resources with which to build those schools and houses."

"What we need today is a great surge of growth linked to basic need. What the administration offers is a further cutting down on genuine social necessities, and hence a continuing recession. It comes down to this: If our economy grows at a steady pace, the yearly expansion in our productive resources will take care of both guns and butter. But cutting back induces recession, recession is used as an argument for further cutting back and before we know where we are, the Russians will be out ahead. This is budgetary nonsense."

The Governor would like to see the same dynamic concept of linking growth to genuine need introduced into the free world's international relations. His experience in UNRRA taught him what it means to give people the basic hope of livelihood. UNRRA was not simply an exercise in relief; it was a vast adventure in recovery and reconstruction. It rebuilt roads, restocked railways, repaired harbors, brought in the machinery and set people to work once more. Wherever it operated, on either side of what was then by no means so iron a curtain, it brought hope, made friends for America, and underlined the solidarity of the human family. As one old peasant woman told Herbert Lehman: "For us, UNRRA is a holy word."

Since that effort of recovery proved possible then, and since its principles were vindicated all over again in the Marshall Plan, why cannot the free world adopt the program of joint action for international growth as a lasting principle of its diplomacy?

"We laid the foundations of the future," says Governor Lehman. "We gave back hope. Today, foreign aid on a lasting basis and aimed at basic growth could do the same. I have again and again urged such a policy to bring a measure of stability to the Middle East. A regional development scheme for the whole area might make a new approach possible to the problem of achieving

a peaceful settlement. At least, it is hard to see any line of advance without one.

"And in general, we cannot hope to meet the 'Russians' new entry into the field of foreign aid unless we have sustained, thought-through and generally accepted policies of our own. Above all, we must find some bedrock for our efforts in the genuine needs of the peoples in less developed areas. If we aim at them, we can do what UNRRA did—we can re-create hope."

You do not need to talk long with Herbert Lehman to discover how central to all his thinking is this sense of people and their needs. The core of his faith in the Democratic party is his belief that it has defended and will defend the interests of ordinary men and women who have neither the wealth nor the influence nor the confidence fully to defend themselves. It explains the contemporary emphasis in his thinking, for whatever else may change, the needs, troubles and disabilities of ordinary men and women have a habit of remaining constant.

This is the spur that keeps the Governor from relaxing among his years and honors. This is, in a sense, his whole philosophy of government, the central theme of his political activity, the settled conviction of his mature experience. He would probably not claim a very elaborate or a highly intellectualized approach to public affairs; for him the issue is much more direct. He sees politics as the field of activity where some men struggle to benefit themselves and their own interests, and where other men must, if there is to be any public good, work for those who cannot help themselves. The conviction that he himself must belong to the second group goes back to the earliest and deepest experiences of his life.

His parents came to America to escape the restrictions placed on the liberal Jewish community of Germany. In spite of the wealth and success that later crowned this migration, his family did not forget the precariousness of their freedom. The children were raised to treasure the rights of ordinary citizens and to react sharply against the threat of abridgements to any group. "We were rebels by necessity," the Governor recalls.

Even so, the security of material wealth might have lulled this sensitiveness had not Herbert Lehman's father and one of his early teachers, Frank Irwin, taken him, as a growing boy, to confront the reality of misery and poverty and dirt in New York's slums and tenements. The image of hopeless need was fixed in his adolescent imagination. Maturity only confirmed his commitment to alleviating, by all action within his power—private, philanthropic, public, political—the miseries and burdens laid on shoulders too weak to raise the load themselves.

In 1928, the sense of how much could be accomplished by direct political action led him to give up a highly successful banking career at the top of the boom when the possibilities of piling fortune upon fortune appeared endless. Today, 30 years later—30 years of unrelenting work for the social needs of ordinary men and women—the Governor's heavy mail testifies to people's belief that time has not abated his concern.

Herbert Lehman is thus a profoundly popular political figure—popular in the sense of finding his deepest political satisfaction in work for the mass of the people. Yet there are many shades of meaning to the word "popular" which do not suit the Governor in the least degree. "Popular" has been used to describe the demagog, who carves his own way to office.

This is not Herbert Lehman's type of popularity. His speeches are simple, almost austere. They aim very little at emotion. They use logic. They are loaded with facts.

Rational conviction, not emotional sway, is what they seek. People are often at a loss after listening to a steady, almost pedestrian address, to account for the Governor's profound impact. The reason is that it is an impact of quiet conviction, never a swamping of judgment in swelling periods that raise the roof and extinguish the mind.

Nor has the Governor been popular in the sense of allowing the popular mood of the moment to guide his own decisions. In a decisive test during the McCarthy hysteria—a test held on the eve of a crucial senatorial contest—Herbert Lehman voted against a crude piece of anti-Communist legislation. "I will not betray the people of my State," he said, "in order to cater to the mistaken impression some of them hold. * * * My conscience will be easier, though I realize my political prospects may be more difficult. I shall cast my vote for the liberties of our people."

In short, the Governor's concern for the people's needs is not a politician's maneuver to secure power. It is not a pandering to the popular mood of the moment. It springs from profound convictions about the nature and dignity of man which were as evident when his career began as they are today. The Governor had no need to discover principles after having first made a political name for himself. The principles came first and guided all the rest.

In a recent speech the Governor said: "I believe that what is mainly lacking from the spirit of these times * * * is a true sense of purpose and direction. We do not really know where we are going or why. The protection of the status quo has become a major public force and motive. * * * Theoretically the public favors some changes at home and abroad, but is generally unwilling to exert real effort, make any real sacrifice, or take any real risks to bring such changes about."

Those who have had in any measure the joy of knowing him, as the years have unfolded his profoundly rich and rewarding career, will be tempted on his 80th birthday to take up the Book of Wisdom and read there once again the description of the just man: "He shall show forth the discipline he hath learnt and shall glory in the law of the covenant of the Lord. Many shall praise his wisdom and it shall not be forgotten. And the memory of him shall not depart from the earth."

Mr. PROXMIER. Mr. President, I join my colleague from Oregon in his tribute to former Senator Lehman. The article he has asked to have printed in the RECORD carries words of wisdom for our people and our Government, in our current economic crises. Herbert Lehman's answer is to reject the choice that the administration seems to be placing between butter and guns or security and welfare. The great question confronting this Congress, according to former Senator Lehman, is "Why do we permit a falling-off in production at all?" In the words of Herbert Lehman:

We need a great reservoir of strength with which to counter the Russians, and certainly we are not going to build one by allowing production to decline. The only sure way * * *. What we need today is a great surge of growth linked to basic need. What the administration offers is a further cutting down on genuine social necessities, and hence a continuing recession * * * cutting back induces recession, recession is used as an argument for further cutting back and before we know where we are, the Russians will be out ahead. This is budgetary nonsense.

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEAT-PRODUCTS COMMERCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to refer, at the beginning of the Senate session tomorrow, Senate bill 1356, Calendar No. 706, the meatpackers bill, to the Committee on Agriculture and Forestry and the Committee on the Judiciary, with instructions that Senate bill 1356 be reported to the Senate not later than Monday, April 21, 1958.

The PRESIDING OFFICER (Mr. HOB-LITZELL in the chair). Is there objection to the request of the Senator from Texas?

Mr. DIRKSEN. Mr. President, reserving the right to object, I rise only to ask for clarification. As I understand, the request implies, of course, that modifications may be made in the bill before it is reported.

Mr. O'MAHONEY. Mr. President, it is my understanding that the Committee on Agriculture and Forestry would be perfectly within its rights in making any suggestions it desired to make. Even if it were to adopt the amendment of the Senator from Illinois, I would not object, because I am confident we could defeat it on the floor.

Mr. WATKINS. Mr. President, reserving the right to object—and probably I shall not object—I want it understood that, in connection with the request, there is no waiver whatsoever of jurisdiction on the part of the Committee on the Judiciary.

Mr. JOHNSON of Texas. I shall give the Senator publicly the assurance which I gave him in private.

Mr. WATKINS. While the Committee on Agriculture and Forestry may wish to make suggestions, the bill which the Committee on the Judiciary reported will also still be before the Senate.

Mr. DIRKSEN. A new bill may be reported.

Mr. WATKINS. But the other bill will still be before the Senate.

Mr. DIRKSEN. It will not be on the calendar if it is referred. It will have to be reported from either the Committee on the Judiciary or the Committee on Agriculture and Forestry.

Mr. JOHNSON of Texas. The purpose of referring the bill to the two committees is to permit them to study it and see if they have any amendments or suggestions to offer, in the hope that the two committees may get together.

Mr. O'MAHONEY. Mr. President, I cannot hear what is being said.

Mr. WATKINS. Mr. President, I suggest that the majority leader repeat what he just said.

Mr. O'MAHONEY. Mr. President, I reserve the right to object until I have heard what is going on. This is a private conversation.

Mr. JOHNSON of Texas. I assume that the purpose of referring the bill to the Committee on Agriculture and Forestry is to permit the Committee on Agriculture and Forestry to sit down with

the Committee on the Judiciary and attempt to find an area of agreement.

I thought I had cleared the proposed agreement with the Senator from Illinois, the Senator from Utah, and the Senator from Wyoming. What will occur when the two committees get together, I am unable to predict. I assume that if they could get together and amend the bill, it would be reported to the Senate and placed upon the calendar, and the Senate would give it prompt consideration. If the committees did not amend the bill, I assume that the Committee on the Judiciary could report the bill to the Senate, and that it could be taken up again on motion.

Mr. O'MAHONEY. Mr. President, I suggest that the agreement be altered by inserting at the proper place, where the proposed agreement now calls for a report by the Committee on Agriculture and Forestry by the 21st of April, language requiring a report by the Committee on Agriculture and Forestry with its recommendation.

Mr. JOHNSON of Texas. I am glad to accept that modification, if it is satisfactory to the Senator from Utah and the Senator from Illinois.

Mr. WATKINS. Mr. President, I heard the statement of the majority leader that the purpose was to allow the two committees to meet jointly and consider the bill. With that understanding, and in the light of the statement just made, I have no objection.

Mr. O'MAHONEY. Mr. President, before an agreement is entered into—

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I wish to make a further suggestion, namely, that the unanimous-consent agreement be effective at the end of the morning hour, because I wish tomorrow's morning hour to be free to any Member of the Senate who may wish to make some comment on the measure before it goes to the Committee on Agriculture and Forestry. The Senator from Illinois nods in the affirmative. Is that agreeable?

Mr. DIRKSEN. Yes.

Mr. O'MAHONEY. If that is agreeable to the majority leader, we have an agreement.

Mr. JOHNSON of Texas. How does the Senator from Wyoming desire to again modify the request?

Mr. O'MAHONEY. I have the agreement in my hand, and I shall indicate the modification.

Mr. ELLENDER. Mr. President, as I understand the unanimous consent agreement, the bill was to be reported after tomorrow's morning hour.

Mr. O'MAHONEY. Yes. Let me read the proposed unanimous consent agreement:

I ask unanimous consent to refer, at the beginning of the Senate session tomorrow—

I would like to change that to read—effective at the end of the morning hour tomorrow—

I continue to read the agreement:

S. 1356, Calendar No. 706, the meatpackers bill, to the Committee on Agriculture and Forestry and the Committee on the Judiciary,

with instructions that Senate bill 1356 be reported back to the Senate Calendar—

I would insert here:

With the recommendations of the Committee on Agriculture and Forestry—

I continue to read:

not later than Monday, April 21, 1958.

Mr. JOHNSON of Texas. I will accept that modification, although it is not necessary to have it incorporated. Any Senator has the privilege to talk on any subject during the morning hour. However, if it pleases any Senator to have that modification added, I accept it. I hope the Chair will put the question.

Mr. O'MAHONEY. I wish to make it clear that I am not making this request out of idle motives nor out of any fear that the Senate is not ready to pass, but out of a spirit of fairness. There are Members of the Senate who are not present who have indicated to me that they desire to make some comments on the floor in support of the bill, but I am willing to have the participation of the members of the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Is there objection to the unanimous consent agreement as modified?

The Chair hears none, and it is so ordered.

Mr. NEUBERGER. Inasmuch as S. 1356 is the pending business of the Senate, Mr. President, I should like to ask unanimous consent to have included, at the conclusion of my brief remarks, a letter received from Mr. G. F. Chambers, president of Cascade Meats, Inc., Salem, Oreg., and a wire from Mr. H. Leland Jacobsmuhlen of the Arrow Meat Co., Forest Grove, Oreg. Mr. Chambers and Mr. Jacobsmuhlen represent independent meatpacking firms with well-established businesses, serving the retailers of their respective local areas. As small-business people, they see in S. 1356 a measure that will restore to the Federal Trade Commission the authority to prevent unfair competition in the merchandising of all products sold by meatpackers.

The desire to block what is called unfair competition has brought into the ranks of this bill's supporters such organizations as the National Candy Wholesalers Association and the National Retail Dry Goods Association. This was emphasized to me when the National Candy Wholesalers Association held its meeting a few days ago in Washington. One of its officers, Ralph Jones, of La Grande, Oreg., a constituent of mine who operates a wholesale business serving retailers in the Blue Mountain area, came to my office to stress that, among bills of great concern to the small-business men comprising this association, there was strong support for the O'Mahoney-Watkins bill. These candy wholesalers are small-business men who deal with other small-business men. In common with the independent packing firms, they believe that all firms serving the food industry should be under the same laws and the same enforcement. That enforcement, they believe, logically belongs under the Federal Trade Commission, in view of the Commission's ex-

perience in dealing with unfair practices and the body of court decisions supporting their opinions.

They are especially concerned that there are those outside the meat packing industry, who, by the device of acquiring a minor interest in a meatpacking plant, may escape regulation by the FTC.

The opinion of my constituents is entirely understandable, when one looks at the record of enforcement under the Packers and Stockyards Act. As brought out in the hearings last summer, the division supposed to enforce the law consists of only 3 people: 2 agricultural marketing specialists and 1 stenographer. For the past 19 years, the report on the bill brings out, not a single cease-and-desist order dealing with monopolistic practices by packers has been issued. Furthermore, it is revealed, that the Department of Agriculture has not sought appropriations for this purpose.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

CASCADE MEATS, INC.,

Salem, Oreg., February 12, 1958.

Senator RICHARD NEUBERGER,

Senate Office Building,

Washington, D. C.

DEAR SENATOR NEUBERGER: It is our understanding that within the next few weeks, Senate bill S. 1356 by Senators O'MAHONEY and WATKINS, will be brought to the floor of the Senate. We wish to reiterate our interest in the passage of this bill—as amended by Senator YOUNG—and urge your support.

This bill will retain in the Department of Agriculture exclusive jurisdiction over livestock transactions in interstate commerce, but will restore to the Federal Trade Commission jurisdiction to prevent unfair competition in the merchandising of all products sold by meatpackers.

Recently the Department of Agriculture has made some gestures indicating their willingness to attempt more rigid enforcement under title II of the Packers and Stockyards Act, but past performances—no cease-and-desist orders since 1938—would show that vigorous enforcement would be much more likely under a proven enforcement agency such as the Federal Trade Commission. The latter agency has a trained staff and would actively investigate any complaints filed.

May we count on your support?

Yours very truly,

G. F. CHAMBERS,

President.

FOREST GROVE, OREG.,

February 19, 1958.

Senator RICHARD L. NEUBERGER,

Senate Office Building,

Washington, D. C.:

For the welfare and growth of a strong independent meat packing industry on the Pacific coast, I strongly urge you to support O'Mahoney-Watkins bill, S. 1356.

ARROW MEAT CO.

H. LELAND JACOBSMUHLN.

ECONOMIC CONDITIONS

Mr. O'MAHONEY. Mr. President, I desire to call the attention of the Senate to the Economic Indicators for March 1958, which became available this morning.

The document, which is published monthly by the Government Printing Office, now has a circulation of 6,500 copies every month. Public Law 120,

81st Congress, 1st session, authorized the publication of this document. That was 10 years ago. I am told that approximately \$60,000 has been collected by the Superintendent of Documents from the sale of the publication. This year approximately \$13,000 were received.

MATERIAL COMES FROM PRESIDENT'S ADVISERS

We must bear in mind that all of this material comes from the Council of Economic Advisers, the personnel of which is chosen by the President and confirmed by the Senate.

The statistics are gathered by expert members of the staffs of all of the departments which deal in economic statistics. The Department of Commerce, the Department of Labor, the Department of Agriculture, the Federal Trade Commission, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Department of the Treasury, the Department of Defense, the Bureau of the Budget, and the staff of the General Economic Committee, all have a hand in writing and editing this document.

INDICATOR HAS EARNED \$60,000 FOR GOVERNMENT

Inasmuch as I was the sponsor of Public Law 120 of the 81st Congress, 1st session, 10 years ago, which was approved by the President on June 23, 1949, I take some satisfaction in the fact that by the introduction of the bill I have brought about an income of \$60,000 in the last 10 years to the Superintendent of Documents.

The reason why I call the attention of the Senate to this matter now is that I believe every Member of the Senate should read the document. It is available without charge, of course, to Members of Congress.

NATIONAL PRODUCT IS DROPPING

On page 2 there is a table containing figures showing the gross national product or expenditure. The gross national product represents the total national output of goods and services, at current market prices. It measures this output in terms of the expenditures by which these goods are acquired for final use in legal markets.

The gross national product is declining and has been steadily declining from about shortly after the first of July 1957. Personal consumption expenditures are declining. Government purchases of goods and services are rising. Gross private domestic investment is declining. This is a fact which every Member of Congress ought to know.

PERSONAL INCOME IS DECLINING

On page 3 are the figures and tables showing the national income. I should like to read one sentence from the top of this page:

Compensation of employees was \$1.7 billion (seasonally adjusted annual rate) lower in the fourth quarter than in the third quarter of 1957.

On page 4 are shown sources of personal income. This table shows that the total personal income is declining, and that labor income is declining.

The sentence which introduces this material on page 4 reads:

Personal income in February was at seasonably adjusted annual rate of \$342 billion, about \$2 billion lower than in January. Wages and salaries dropped more than \$2 billion; other types of income changed little.

INDIVIDUAL INCOME TAXES WILL DROP

In this connection I say that in the President's budget, on page 884, the President, through his experts in the Bureau of the Budget, estimated that individual income taxes would be increased by \$1,300,000,000 in the next year. Instead of an increase of \$1,300,000,000, the drop, as is attested to by the Council of Economic Advisers, is a drop of \$2 billion.

CORPORATE PROFITS ARE DOWN

There are several other items in the document to which attention should be drawn. I wish to read the following sentence from the top of page 8:

Corporate profits in the third quarter of 1957 were slightly lower than profits in the second quarter. Profits before taxes were \$1 billion (seasonally adjusted annual rate) higher and profits after taxes \$0.5 billion higher than in the third quarter of 1956.

It will be observed that these figures are a comparison of the third quarter of 1957 with the second quarter. While this document was in preparation, the First National-City Bank of New York made its own report, in its economic letter for March, that some 610 corporations had reported a net income 16 percent lower in the fourth quarter of 1957 than in the third quarter.

Using this report as an indicator, and referring to the advices I have received from the staff of the Joint Economic Committee, I can say without hesitation that the trend of corporate profits is down.

PRIVATE INVESTMENT HAS FALLEN

On page 9, the chart and the figures show the gross private domestic investment trend is downward. The introductory sentences read as follows:

Gross private domestic investment fell \$5.2 billion (seasonally adjusted annual rate) in the fourth quarter of 1957. The reduction in inventories accounted for most of the decline.

PLANT EXPENDITURES ARE DOWN

On page 10, a decline is shown in expenditures for new plant and equipment. Total expenditures for 1957 were running at a total of \$36.9 billion. For the 2 months of January and February 1957, they had fallen to an estimated level of \$32.07 billion. That is a decline of over \$4 billion. To reverse this trend, we cannot depend upon any recovery in March or April or May.

UNEMPLOYMENT IS INCREASING

Those who are interested in employment should turn to page 11. The status of the labor force is described in the following words:

Unemployment increased to 5.2 million in February, as employment declined further and as women and young persons entered the labor market.

State programs for the insurance of unemployed persons constituted only 2.9 percent, in 1952, of those covered by employment insurance and collecting the

same, whereas the estimate for February 1958, is 7.6 percent. More than that, in 1952, 1,064,000 persons were covered by all unemployment insurance programs. The number estimated for February 1957, is 3,375,000.

PRICES RISE THOUGH ECONOMIC TREND IS
DOWNWARD

Nonagricultural employment is down. The average weekly hours of labor is down. The average weekly earnings are down. Industrial production has dropped approximately 16 points on the 1947-49 index. New construction is down. Sales and inventories in manufacturing and trade also show the customary downward trend, as do both exports and imports of merchandise.

On the other hand—and this is worthy of noting—prices are up. The graphs and tables on consumer prices are to be found on page 23. Using prices for 1947 through 1949 as an index of 100, prices have been rising month by month through 1957, closing in November and December at 121.6. The only month from 1958 reported in this document is January, and that shows another increase, to 122.3. I am advised by the staff that the index for February is also up.

Food and rent are conspicuous items in the increase, and this is also the case with respect to transportation and medical care.

CALLS FOR REVISION OF FIGURES ON ECONOMY

In conclusion, let me say that in my opinion the Bureau of the Budget faces the unavoidable duty to revise the figures which were submitted to us in January. Increased expenditures for mutual security now being asked by the President above the levels of the January budget make it essential that the Congress be given the plain facts about the economy. Reduction of taxes is not a cure of the economic disease from which we suffer. It is only a plaster, except in certain areas, as, for example, excise taxes on automobiles and other commodities which are not now selling.

INCREASED PRODUCTION BEGETS HIGHER BUDGET
RECEIPTS

What the country needs most of all is a program to increase budget receipts by increasing production. Congress and the Executive must find the ways and means by which to stimulate the development of natural resources which will produce more products and, inevitably, higher budget receipts for the Government.

The Committee on Interior and Insular Affairs is now holding a series of hearings on the development of domestic mineral resources. It should be remembered by the makers of the budget and by the whole executive branch of the Government, including the White House, that mineral lands are subject to leasing under a royalty system which increases the income of the Government of the United States. Here is an opportunity where we can produce some of the revenue which the Government needs.

REORGANIZATION OF THE DEPARTMENT
OF DEFENSE

Mr. SYMINGTON. Mr. President, in a totalitarian state, the coin of the realm is the order of the dictator.

In our democracy, however, defense strength can only come from economic strength.

More than 84 cents of every tax dollar now levied against the American citizen by the Congress goes to pay for past or possible future wars.

Over 60 cents of that tax dollar is for current national defense.

Bending under those taxes, our people nevertheless are willing to pay them. They believe their country can spend as much to defend its freedoms as any other country can spend to destroy those freedoms.

They see no logic being the richest in the graveyard.

They want strength—spiritual, economic, and physical strength.

Above all, they desire to maintain their liberty, and are willing and anxious to make any necessary sacrifice to that end.

In turn, the citizen has the right to demand of his Government maximum defense at minimum cost.

It is now generally recognized that the structure of the Defense Department of the United States, based on the way it is set up under the National Security Act of 1947, as amended, is one of the most inefficient organizations ever created.

During the almost eleven years the present National Security Act has been in operation, the American people have paid out nearly three hundred and fifty billion dollars for defense support; the American military establishment suffered its greatest defeat to an outside power at the Chosen Reservoir; and, whereas 10 years ago the military strength of this country was supreme everywhere, on the sea, under the sea, on the ground, and in the air, as of today we have certainly lost our lead to the Communists in 2 of those categories—and, unless our policies are sharply revised, will lose it shortly in a third.

President Eisenhower, talking in the field in which he had had most of his experience, said in his annual address to the Congress last January 9:

Recently I have had under special study the never-ending problem of efficient organization, complicated as it is by new weapons. Soon my own conclusions will be finalized. I shall promptly take such executive action as is necessary and, in a separate message, I shall present appropriate recommendations to the Congress.

* * * A major purpose of military organization is to achieve real unity in the Defense Establishment in all the principal features of military activity. Of all these one of the most important to our Nation's security is strategic planning and control. This work must be done under unified direction.

That statement was very gratifying. As Assistant Secretary of War, under the instructions of President Truman and Secretary of War Patterson, and with the advice of the then Chief of Staff of

the Army, General Eisenhower, I tried to monitor through Congress the Unification bill which was wanted by all at that time; and therefore know as well as most the degree of the failure in what finally became law.

Also, I know what the results of this failure have meant to the security and prosperity of the United States.

Many able and dedicated persons believed at that time that it was best the proposed new head of the proposed new Defense Department should have but feeble control over the administrative reins, bound in by detailed legislative restriction.

So despite our now having spent these hundreds of billions of dollars, so much has been and is being wasted that the Nation now realizes it has become alarmingly weak vis-a-vis the great and growing military strength of the Communist conspiracy.

I still have confidence in Secretary McElroy. I am glad he is coming to Congress soon with a reorganization proposal for the Department of Defense, in an effort to operate efficiently the current administrative maze which is the Pentagon.

Scores of prominent private citizens have been working on this matter over these "10 years of waste"—those on the Hoover Commission of 1949, on the Rockefeller Commission incident to Reorganization Plan 6 of 1953, and on the current studies now being conducted by the advisory group which was asked to assist by Secretary McElroy and the President. These people know well that communism can ultimately destroy us economically as well as militarily.

Mr. President, unless this time the structure of the Defense Department is reorganized to represent progress instead of continuing to represent tradition, our position will become very serious indeed.

The strength of this country is the only strength left in the free world which can challenge the aggression of communism. If we go down, the world will belong to the Communists.

Therefore, we must get strong and stay strong. At the same time, we cannot afford to continue to waste wholesale the taxpayers money.

We can, and must, take whatever steps necessary to preserve our freedom and prosperity by establishing plans for maximum defense at minimum cost.

Mr. President, in this connection I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Shaking Up the Pentagon," published in the St. Louis Post-Dispatch of January 31, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHAKING UP THE PENTAGON

One of the most urgent issues before the administration, the Congress, and the Pentagon is the reorganization of the Nation's defense machinery. The need for it has been overwhelmingly attested; but there is strong opposition in the services and in Congress.

It is encouraging to learn that the administration's preliminary reorganization plan-

that under this system neither congressional districts nor State boundaries should intervene between the citizens of the Nation and their highest national officer. Finally, say the Langer-Lehman advocates, a direct election system puts a premium on political participation; getting out the vote would reap immediate rewards and, conversely, denial of access to the ballot box would automatically have punitive consequences for guilty States, regions, or parties. The Daniel-Kefauver and the Mundt-Coudert plans, on the other hand, assume that presidential voters act primarily as citizens of States and congressional districts. Under the Daniel-Kefauver system, a majority of the 531 votes must be built up out of popular majorities in the States. Under Mundt-Coudert, the congressional districts are where popular majorities count most. Daniel-Kefauver also claims to provide a stimulus to minority party activity in one-party States by assuring such minorities some part of the State's electoral vote, of which it now receives none. The new Humphrey method comes close to incorporating the Langer-Lehman nationwide direct election principle into the 531-vote framework of the other electoral systems. HUMPHREY's Senate Joint Resolution 152 also has a built-in stimulus to voting participation.

Finally, the separation of powers principle would be maintained by the Humphrey plan. An essential feature of the separation of powers is the election of public officers by different electorates. Under present conditions, for example, congressional district voters elect members of the House of Representatives; State voters choose Senators and decide the State's vote in the electoral college. The Mundt-Coudert plan, on the other hand, makes congressional and presidential constituencies coincident with each other, negating the separation principle. Langer-Lehman sharply accentuates separation by creating an entirely new mass constituency for the Presidency. The Humphrey plan, it is argued, creates a new presidential constituency without going to the extreme of the Langer-Lehman plan.

SOME POLITICAL IMPLICATIONS OF THE NEW PLAN

After mathematically translating past presidential election results from the present counting system to that of the Humphrey plan, supporters of Senate Joint Resolution 152 have demonstrated several of the political implications of the new reform. Setting aside the probability that a somewhat different national party pattern might have developed under the Humphrey system, the same Presidents would have been elected under the Humphrey method in 21 of the 22 presidential elections between 1872 and 1956; the exception, 1876. The Humphrey method, however, would have modified the exaggerated electoral college majorities. The winners would have received an average of 78 fewer votes between 1872 and 1956. The principal losers would have received an average of 55 additional electoral votes over the same period.

Table 1 shows what the voting outcomes would have been, by States, in the elections of 1952 and 1956 under Senate Joint Resolution 152. Because 435 of the electoral votes are divided between the parties on a national basis, strictly speaking the only "State" votes would have been the 2 votes going to the plurality winner in each State. The computations of table 1, however, reveal how many electoral votes would have been contributed to the national party totals by the vote in each State. For example, under Senate Joint Resolution 152, Stevenson in 1952 would have received 210.8 electoral votes consisting of 18 senatorial votes from 9 States and 192.8 of the 435 nationwide electoral votes. To the 18 senatorial votes Alabama would have contributed 2 votes; to

the 192.8 Alabama would have contributed 1.9. Alabama in 1952 would have contributed 1.1 electoral votes to the Republican side. This would have given Alabama a total strength of 5 presidential electoral votes. Alabama's actual electoral college strength under the present system was 11 votes. Total State strength would vary from quadrennium to quadrennium depending upon Alabama's—and every other State's—contribution to the total national turnout and its contribution to the national party totals. Alabama's low level of voter participation would have cost the State 6 electoral votes under the proposed system. On the other hand, California's high voter participation under the Humphrey system in 1952 would have raised that State's electoral strength from the 32 votes it actually had to a new total of 38 votes.

Still another probable consequence of the Humphrey plan would be the strengthening of the national organs of the political parties under the necessity of waging campaigns with equal vigor in every State. Under the present system the major campaign efforts are made in the large pivotal States of New York, Pennsylvania, California, Illinois, Ohio, Michigan, and a few others. It now takes a plurality of but a few votes to win all of the New York's 45 electoral college votes, California's 43, etc. Under the Humphrey system most State party victories would consist of 2 or 3 electoral vote margins. In 1956, for example, the distribution of the national presidential vote was such that dominant State parties would have received 2 to 2.5 more electoral votes than the principal minority parties in 28 of the 48 States; in only 6 instances would the electoral vote spread have been 6 votes or more (California, Illinois, New Jersey, New York, Ohio, and Pennsylvania). Such a spreading of the rewards for success among so many States would heighten the need for coordinated and widely distributed presidential campaign effort on a national basis. As a consequence, the duties of the national party organs would undoubtedly be multiplied. The national parties would compete not primarily for the electoral votes of a few major States but for a plurality of the 435 electoral votes available nationwide and for the 2-vote electoral margins in as many individual States as possible.

The importance of States with 2-to-3 vote electoral margins would tend to eliminate the pivot State approach to presidential politics.⁴ New York, Pennsylvania, California, Illinois, Ohio, Michigan, etc., would continue to be focal States for campaign activity for reasons of sheer size of population as well as the prospect of higher than average voter participation characteristic of these States. These States, however, would have to share campaign attention with such States as Arizona, Delaware, Idaho, Montana, Nevada, New Hampshire, New Mexico, Rhode Island, Utah, and Wyoming.

⁴Defenders of the present electoral college system, particularly some leaders of minority groups in metropolitan centers, argue that their main source of influence in national politics rests upon the strategic location of the popular votes of their groups in the large, closely-contested States. Presumably the President who fails to support the aspirations of these influential minorities would run the risk of losing their critical votes in the key States such as New York, Pennsylvania, California, Illinois, Ohio, Michigan, etc. This has been a cardinal political principle for minority group leaders in recent years, yet nowhere are its premises conclusively supported by the facts. While it is true that the electoral college votes of New York and the other pivotal States may be won or lost by a handful of popular votes, it is highly problematical that minority group leaders could deliver their supporters in substantial numbers from one party to

The Humphrey plan—for that matter, any change in the present electoral college system—would undoubtedly cause repercussions in the politics of presidential nominations. For example, one obvious consequence would be an improvement in the nomination prospects of aspirants coming from States other than the large, pivotal ones. Secondly, since the main principles of apportionment of votes in the national conventions have traditionally followed the principles inherent in the electoral college system, it is possible that a change in the method of presidential election would be followed by a change in the apportionment of nominating strength.

The new Humphrey plan for reform of the electoral college system of electing the President adds a fourth to the existing three types of proposals in this field. Senate Joint Resolution 152, which embodies the Humphrey proposal, has been offered as a compromise among the existing plans, on grounds that it applies the reconcilable principles underlying each of the others in a practical manner. Supporters of the Humphrey plan also claim that the new system would bring the outdated method of choosing the President abreast of modern conditions of nationwide two-party competition and national presidential electorates.

the other in the short run. Although long run trends and changes are certainly occurring in minority groups voting for President, it does not seem likely that group leaders could in the short run dramatically change the Democratic preference of two-thirds to four-fifths of the voting Negroes, Catholics, Jews, Polish-Americans, Italian-Americans, etc. The majority preference within many of these groups has been known to change over the long run—Negroes moved from the Republican to the Democratic Party during the New Deal years, Jews were heavily Republican in the earlier part of the century, Catholics seem to be shifting from the Democratic Party during the past 2 or 3 presidential elections, etc.—but not overwhelmingly in the short run. For sources of these observations see Angus Campbell, Gerald Gurin, and Warren E. Miller, *The Voter Decides* (Evanston: Claves, 1954); Bernard R. Berelson, Paul F. Lazarsfeld, William N. McPhee, *Voting* (Chicago: University of Chicago Press, 1954); V. O. Key, Jr., *Politics, Parties, and Pressure Groups* (3d ed., New York: Crowell, 1952); Lawrence Fuchs, *American Jews and the Presidential Vote*, *American Political Science Review* XLIX (June 1955), 385-401.

Under the proposed Humphrey system, organized minorities would have to develop nationwide in place of local manifestations of strength. This would probably be consistent with existing trends away from a parochial minority group politics as successive generations of descendants of immigrants become integrated into the American community, as some minorities depart from ghettos to suburbia, and as the South becomes less solid and more like the rest of the Nation in its political patterns. In the very nature of the pluralism of American politics, organized minorities may be expected to exert substantial influence under any system of presidential election. To equate the survival of minority group influence with the preservation of a dubious strategic advantage under the present electoral college system is to place that influence upon very tenuous grounds indeed.

ADJUSTMENT OF LEGISLATIVE JURISDICTION OVER CERTAIN LAND—MOTION TO RECONSIDER

Mr. HUMPHREY. Mr. President, I ask unanimous consent to enter a motion for the reconsideration of the vote by which the Senate passed Senate bill

1538, to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes. This bill was Calendar No. 1301.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, the motion to reconsider will be entered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the House of Representatives be requested to return Senate bill 1538 to the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGULATION OF COMMERCE IN MEAT AND MEAT PRODUCTS

Mr. O'MAHONEY. Mr. President, today the Senate entered into an unanimous-consent agreement whereby the so-called packers and stockyard bill—which is Calendar No. 706, Senate bill 1356, a bill to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes, which was reported to the Senate from the Committee on the Judiciary—was referred to the Judiciary Committee and the Committee on Agriculture and Forestry, with instructions to report it back to the Senate Calendar not later than April 21, with their recommendations.

At the time when that agreement was entered into I announced, as the Senator in charge of the bill, that I was willing to agree to that method of handling the matter, not because I had any fears about the willingness of the Senate to pass the bill, but because I felt that it was only fair that the Members of the Committee on Agriculture and Forestry have an opportunity to study the reasons why the bill is a "must" if we believe in economic freedom and the preservation of what we call free enterprise.

CONCERNED WITH PROBLEM SINCE 1916

Mr. President, it has been my good fortune to have been associated with this problem from the time when I first came to the Senate as the secretary of Senator John B. Kendrick, of Wyoming. Senator Kendrick, when governor of Wyoming, was elected to the United States Senate in 1916. He invited me to come to Washington as his secretary. I did so. After coming to Washington, I attended the night sessions of Georgetown University Law School, from which I was graduated in 3 years. Then I resigned as secretary, to enter the practice of law. In 1922, I managed Senator Kendrick's campaign for reelection to the Senate.

During those experiences—first, as his secretary; then as a lawyer watching the proceedings in the Senate and those in the State of Wyoming; and, later, as manager of Senator Kendrick's political campaigns—I came to understand his feelings toward the meat industry.

Senator Kendrick was one of the largest cattlemen in the West. At one time he was president of the American Na-

tional Livestock Association. When he came to Washington, he was determined to play his part, insofar as he could, in breaking what he considered to be the monopolistic hold which the 5 big meat packers had at that time on the meat industry.

The President of the United States had instructed the Federal Trade Commission to make an investigation of the conditions which existed at that time.

Mr. HOLLAND. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. HOLLAND. The distinguished Senator from Wyoming is making a contribution to the subject matter of the proposed amendment of the Stockyards Act, and I believe it merits the attention of more Senators. Therefore, I ask unanimous consent that the Senator from Wyoming may yield to me, in order that I may suggest the absence of a quorum, but without causing the Senator from Wyoming to lose his right to the floor.

Mr. O'MAHONEY. With that understanding, Mr. President, I yield for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLAND. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I am advised that many of the committees of the Senate are in session this afternoon on important hearings, and I do not wish to disturb those hearings by calling for a live quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

FTC MADE INVESTIGATION OF PACKERS 40 YEARS AGO

Mr. O'MAHONEY. Mr. President, before the quorum call I was referring to the fact that the then President of the United States, Woodrow Wilson, had requested the Federal Trade Commission to make an investigation of the monopolistic practices of the packers. One of the outstanding lawyers of the period, Mr. Francis J. Heeney, of California, was placed in charge of that investigation. He was a remarkable man, a bulldog of a lawyer, a man with a capacity to seek and obtain evidence. He brought in such a report for the Federal Trade Commission that the Department of Justice had no difficulty in securing a consent decree from the big packers.

THESE TRADE PRACTICES WERE REPORTED

I want the RECORD of the Senate today to show some of the practices which were found by Mr. Heeney to have been indulged in by the packers. There were five of them, including Armour, Swift, Morris, and Sulzberger. He found, for example, that the large companies had continued, during the war years when the Nation was fighting for the life of freedom, to engage in a livestock pool under which the purchases of livestock sent to market were made according to

definite percentages agreed upon for for long periods. That is No. 1.

No. 2, it found evidence of a combination between Armour, Swift, Morris, and Sulzberger with British and South American companies to regulate and divide beef and mutton importations from Argentina and Uruguay into the United States and from South America into European ports.

They were not content to restrain themselves to monopolistic practices affecting the growers and consumers in the United States, but they sought to control and regulate commerce of foreign nations as well.

No. 3. The Commission found evidence of an agreement whereby the companies limited the amount of dressed meat which packers would have for sale in proportion approximately to the percentage of live animals upon the ground.

No. 4. It found proof of hoarding of cheese during the war by a combination of packers which, through their control of large cheese firms, controlled the cheese market.

No. 5. In addition, the Federal Trade Commission found that the large meatpacking companies exercised great market power over many food items which were not related to meat. These companies were distributing, through their organizations, such varied items as vegetables, fish, fruits, condiments, rice, cereals, and many others.

Finally, it was found that the large meatpacking companies had gained control of some 50 stockyards in the United States, which themselves controlled about 69 percent of the business. The 4 largest yards received more than 53 percent of the cattle, 43 percent of the hogs, and 53 percent of the sheep.

The Big Five, it was shown, either jointly or separately, had an interest in 28 of the 50 yards, controlled the majority of the voting stock in 22 of them, and were jointly interested in 15 of them. Approximately 84 percent of the animals marketed passed through the yards controlled by the big five at such points as Chicago, Kansas City, St. Louis, and Omaha, which had great and decisive influence on other markets which were controlled by the large companies.

DEFENDANTS WERE GLAD TO ACCEPT CONSENT DECREE

The facts were such, as I have already pointed out, that the Department of Justice, having brought an antitrust suit, had no difficulty in persuading the defendants to accept a consent decree. The Department took the consent decree because it was easier to obtain a decree in that manner than to fight the giant combine through all the levels of the courts of the land. On the theory that a half a loaf was better than no bread, the consent decree was accepted. But it took years to draw the final order, which was intended to break down the monopoly.

PACKERS DICTATED PRICES AT PRODUCER AND RETAIL LEVELS

The 5 big packers, as is proven by the figures I have recited, which figures can be verified by the record, were in a position that enabled them to tell the

grower of livestock—to tell the farmer who raised hogs, to tell the rancher who raised cattle, to tell the farmer and rancher who raised sheep—the prices they would have to take for their animals. At the same time, because they were in control of the distributing facilities, they were able to tell the housewife, the hotel keeper, and every consumer the prices which had to be paid for the finished product. They were able to control prices of nonfood items, such as tennis rackets and other commodities which were made from those parts of the live animal which were not usable for food.

The consent decree was not sufficient.

KENDRICK INTRODUCED BILL TO STOP MONOPOLISTIC PRACTICES

My former chief and great friend, John B. Kendrick, one of the most respected men who ever sat in the Senate Chamber, made up his mind that he would make every effort to seek by legislation to close the door firmly and finally upon these monopolistic practices, so he introduced what became known as the Kendrick-Kenyon bill.

It perhaps is worth mentioning that just as the Senator from Utah [Mr. WATKINS] and I are joint sponsors of the bill under consideration, one of us a Democrat and the other a Republican, so also were Senator Kendrick and Senator Kenyon of opposite political faiths. Senator Kendrick was a Democrat, and Senator William S. Kenyon of Iowa was one of the great men the State of Iowa sent to the Senate in years past. They were both convinced that if the freedom of opportunity and competition was to be maintained in the United States the Federal Trade Commission, which had done such a superlative job in bringing the packers to give consent to an antitrust decree, should be given the power to enforce the antitrust laws.

FTC LOGICAL AGENCY TO ENFORCE ANTI- MONOPOLY LAW

What could be more logical? What could be more simple than that the act passed by Congress in 1914 to prohibit monopolistic practices and unfair trade practices in commerce should be enforced by the Federal Trade Commission, and not by the Department of Agriculture?

REPRESENTATIVE TOM SCHALL CRIED "MURDER"

I desire to read into the RECORD today an eloquent statement by blind Tom Schall, who was at that time a Member of the House of Representatives from the State of Minnesota. He afterwards was elected to the Senate.

Many a day I have heard Senator Schall stand to speak from his side of the aisle, in the second row from the front, speaking, of course, without assistance. He had no aide or clerk to suggest to him what to say. He had no document from which he could read. But with a perfectly clear mind, in eloquent language, he would tell the story which his studies had revealed about whatever subject he was discussing. He was admired and loved by his associates both in the Senate and in the House.

The speech to which I refer was delivered on August 9, 1921. I shall read from page 4784 of volume 61, part 5 of

the CONGRESSIONAL RECORD for the 67th Congress, 1st session:

Mr. SCHALL. Mr. Speaker, the stage is set. The scene is laid. The curtain has risen. The first act is about to come off. Many of the Congressmen are home. What is to be done? A little job of murder. Who is to be killed? The Federal Trade Commission. Why? Because they have done their duty honestly and faithfully. Sentence has been passed. It has been O. K.'d by the Senate, and it is back here to be O. K.'d by the House. No chance to amend it. Our only hope is in the future. In order to be sure that the bill passed it is plastered around with regulations that should go into effect, that should have gone into effect long ago, but that would never have been brought to light had it not been for the courage and industry and integrity of the investigations of this very Federal Trade Commission which certain clauses of this bill now seek to quietly assassinate. Every good provision in the bill has been inspired by the work of the Federal Trade Commission, yet buried deep in this law is the death sentence of that commission, the only legal machinery which has been constructed that has proven itself equipped to meet the industrial problems of today in the interest of the public.

This is the first act of a long and ill-conceived tragedy. Next will come the clause in the futures trading bill which will attempt to take from the Federal Trade Commission their jurisdiction over the grain trade. Then the clause in the misbranding bill taking their power away over misbranding.

PACKER LOBBYISTS COMMITTED THE MURDER

And so he continued. The first act in the great tragedy of destroying the jurisdiction of the Federal Trade Commission was about to take place. It did take place, exactly as he predicted. The clauses which gave the Federal Trade Commission the authority to enforce its own act were eliminated from the bill by special amendments that were written in the handwriting of one of the lobbyists for the packers. They were amendments which transferred the enforcement of the antitrust Federal Trade Commission Act from the Federal Trade Commission to the Department of Agriculture, upon the alleged argument that it was an agricultural problem. It was not an agricultural problem; it was a problem of trade and commerce in the purchase and sale of material.

As I have already pointed out in my previous address upon this subject, the packers represented themselves as being the friends of the stockmen and of the consumer. So, because of the argument that they were friends who would serve the best interests of the producer and the consumer, the Federal Trade Commission was murdered, as blind Tom Schall said it would be, so far as this act was concerned. The Federal Trade Commission lost its jurisdiction.

ADMISSION THAT AGRICULTURE DEPARTMENT FAILED TO ENFORCE LAW

In the hearings over which I presided last year as Acting Chairman of the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, Assistant Secretary Earl Butz, of the Department of Agriculture, testified, in response to an inquiry by my colleague, the Senator from Utah (Mr. WATKINS), that for 26 years the Department of Agriculture had inadequately enforced the antitrust law.

We listened with applause to the recommendations of the Hoover Commission for the elimination of overlapping jurisdictions. The Senator from Virginia [Mr. BYRD], a great advocate of economy, has come on this floor time and time again to point out how money is wasted by the Federal Government through the duplication of efforts. Here we have a Federal Trade Commission staff knowledgeable in the enforcement of the antitrust laws, and a Department of Agriculture which is not so staffed. Is it any wonder that the Assistant Secretary of Agriculture had to confess, under interrogation, that the Department of Agriculture was not adequately enforcing the law?

CONSENT DECREE OF 1920

I referred to the action of the Department of Justice. I think it proper that there should be placed in the RECORD at this point a description of the consent decree.

After a long series of negotiations with representatives of the five largest packing companies, this prearranged settlement took place. On February 27, 1920, a petition alleging an unlawful combination was filed in the District of Columbia courts, and simultaneously a consent decree, already signed, was entered in the court's records. These companies, which were Swift, Armour, Morris, Wilson, and Cudahy, were restrained by this consent decree of 1920 from the following acts:

First. Doing any act amounting to a combination in restraint of trade;

Second. Engaging in any unlawful trade practice;

Third. Engaging in the public storage warehouse business;

Fourth. Engaging in the public stockyards business;

Fifth. Engaging in any line of retail business, both in the meat line and every other line; and

Sixth. Engaging in the so-called unrelated lines of food, which were defined and enumerated, particularly in all the lines of wholesale groceries.

PRESENT ATTEMPT TO CHANGE DECREE TERMS

Three of these major packing companies recently initiated an attempt to have the terms of this 1920 consent decree changed, particularly to allow them to handle unrelated lines of groceries.

That petition to revise the consent decree of 1920 was filed here in the district court, and the packers who were asking to be relieved from the decree prohibiting them from engaging in certain antitrust practices sought to have the action transferred to the Federal courts in Chicago. Such an order was entered. The matter is still pending there.

The Department of Justice has not agreed to the modification of the consent decree, and I know of no rumors or reports to the effect that any consent is now being considered. But I have no hesitation in suggesting that if the Congress of the United States should now say that we may have special legislation for the benefit of the packing industry so that it may be relieved from the jurisdiction of the Federal Trade Commission, it will not be long before other segments of in-

dustry will find a way to escape the prohibitions of the Federal Trade Commission Act.

MONOPOLY ESTABLISHES PRIVATE REGULATION OF COMMERCE

Mr. President, this is a serious matter. The issue in the world today, which is about to be decided by the result of the cold economic war, is the issue as to whether we are to have totalitarianism in politics and business, or whether we are to have free government in politics and business.

When a small group of corporations becomes so powerful that it can take control of any line of business and bring under control other unrelated lines, it is inevitably closing the door of opportunity to many others.

Mergers, combinations in restraint of trade, and concentrations of economic power—all are the familiar aspects of monopoly; and monopoly is the establishment of private regulation of commerce.

RIGHT TO REGULATE COMMERCE IS VESTED IN CONGRESS

When the great men who wrote the Constitution of the United States sat at the Constitutional Convention they had no idea of turning control of commerce over to monopoly. Quite the contrary. They wrote into the Constitution, in article I, section 8, the careful provision that the Congress should have the right to regulate commerce among the States, with foreign nations, and with the Indian tribes. There is the power and the duty of Congress. There is no other power in America which has the right to regulate business.

GOVERNMENT HAS NO POWER TO CONTROL BUSINESS

There is no power, not even within the Government itself, to control business. I have seen Members of the Senate and Members of the House on numerous occasions in the past—men who proclaim themselves as opponents of socialism—introduce bills, the effect of which was to put the Government itself in business and to give the Government power to control.

The theory of our Government is that it is made for the people—all of the people—and every great President whom we have ever had, and every great leader from Washington down through Jefferson and Daniel Webster and Abraham Lincoln, has not hesitated to say that ours is a Government of living persons who constitute America.

CORPORATIONS ARE CREATIONS OF GOVERNMENT

Mr. President, a few days ago there came to my hands a little pamphlet, containing an article written by Mr. Robert C. Tyson, chairman of the finance committee of the United States Steel Corp. I do not think Mr. Tyson ever expected me to quote anything that he said. However, he wrote a paragraph which I think is well worthy of quotation. He wrote a special sentence which every newspaper in America and every radio and television channel in America and every member of the Government in America should remember and should repeat. The United States Steel Corp., like the National Steel Corp., when it appeared before the Antitrust and Monopoly Subcommittee, of which the Senator from Colorado [Mr. CARROLL] is a distinguished member, refused every suggestion made by any member of the subcommittee that the price of steel be reduced. They knew that steel was a commodity needed in almost everything that goes into the building of a great America. They knew, when they refused, that the Government was engaged in the great program of building for defense, using steel, but they were not interested in the price the Government had to pay.

As I pointed out earlier today, with the interest on the national debt running at \$7,900,000,000, with the cost of rehabilitating and paying the pensions of the veterans running at the rate of \$5 billion a year, and with the mutual security appropriations running at the rate of \$43.9 billion, we are spending \$58.7 billion for past wars and future wars and economic crises. We are borrowing money to give to the steel companies and the automobile companies on the contracts they are about to receive because there is unemployment in the automobile industry.

Against this background, Mr. Tyson, in speaking about taxation and the terrible plight of the big corporations, says: Well, let's take a look at corporate taxation and double taxation. Corporations are the creations of government.

I ask Senators to listen to that sentence:

Corporations are the creations of government. They are the resourceful invention of people to enable large numbers of them cooperatively to pool their resources and their labor and so accomplish mighty production tasks beyond the power of any one individual or small numbers of them. The dividends paid by these corporations are less than 4 percent of the Nation's income, yet corporations provide nearly three-fourths of all the nongovernmental wages and salaries paid. The corporate economy is also the biggest remaining segment of business life that is still disciplined by vigorous competition.

I wonder through what kind of glasses he was looking when he wrote the word "competition."

In the light of all this there must surely be something wrong with a generalized attitude of hostility toward corporations and their profits as such.

I stop reading long enough to say that I have no hostility toward corporations or their earnings, but I do know that corporations consist of a great segment of our economy. They perform activities which individuals would be incompetent to perform in their own right or ability. What I am emphasizing here is what Mr. Tyson said, that corporations are the creations of government. In other words, a corporation cannot exist unless some government gives it a charter.

STATES CREATE CORPORATIONS THEY CANNOT REGULATE

Here is a situation that constitutes a terrible anomaly in the United States, which poses as the leader of the free world. The Constitution gave to Congress the right—nay, the duty—to regulate commerce among the States and with foreign nations, and took that right from the States. The Thirteen Original Colonies, before the Union was formed,

could regulate corporate activities within their boundaries and could regulate commerce, but after the Nation was set up, interstate and foreign commerce became the sole jurisdiction of the National Government while the States lost the power to regulate commerce, they were allowed to retain the power of creating corporations, which are the instruments of the interstate and foreign commerce that the corporations carry on.

How absurd that the State of New Jersey, the State of Delaware, the State of Wyoming, and any other State anyone may care to name should have the power to authorize a group of individuals to create a corporation which then, without let or say from the Government of the United States, which has the constitutional power to go into foreign commerce, should have the right to go into it as they please. They write their own tickets. Any Member of the Senate who is a lawyer, or as a Member has had an opportunity to read charters issued by some of the States which are patronized by the big corporations knows full well that the charters take no concern whatsoever to protect the rights of the individual. They take no concern whatever to protect individual rights, producer rights, or consumer rights. They are blank checks by which the promoters of corporate organizations may do whatever they please. Here we have an illustration of what is now going on.

CHAINSTORES POSE AS PACKERS

Last Friday I referred to the fact that the amendments which were written into the bill were intended to protect the packers.

I must secure the document I had, in which these various matters were related. Sufficient it will be, I am sure, for me to summarize the facts. Into the Packers and Stockyards Act were written the amendments in which Representative Schall, as he was then, pointed out that the power of the Federal Trade Commission to have jurisdiction over its own act was eliminated. It was written into the Packers and Stockyards Act that that jurisdiction should not apply to the packers.

Now what has happened? I have here a letter dated March 19, 1958, from the Office of the General Counsel of the Federal Trade Commission, which was written at my request. It reads:

FEDERAL TRADE COMMISSION,
OFFICE OF THE GENERAL COUNSEL,
Washington, March 19, 1958.

Hon. JOSEPH C. O'MAHONEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'MAHONEY: In response to your request of March 18, 1958, the best information we have indicates that National Tea Co. is a packer subject to the Packers and Stockyards Act. This is based upon a list of packers issued by the Secretary of Agriculture on June 17, 1957. The following eight major chainstore organizations appear on that list: American Stores Co.; First National Stores; Food Fair Stores; Giant Food Shopping Center; the Great Atlantic & Pacific Tea Co.; the Kroger Co.; National Tea Co.; Safeway Stores, Inc.

The approximate 1956 sales, areas of operation, and number of units of these organizations (with the exception of Giant Food Shopping Center) are indicated on an attached list. This list indicates sales and unit data of the 15 major food chains. As

you will note, the seven largest chain-store organizations on this list are classified as packers.

To this point the status of any of such eight major chain organizations as a packer has been fully litigated before the Commission in only one case. Food Fair Stores, Inc. The decision in that case was, as you know, that Food Fair, by reason of its ownership of a packing establishment, qualified as a packer and was not subject to the jurisdiction of the Federal Trade Commission. In another case, Giant Food Shopping Center, the Commission has ruled that it has jurisdiction but this ruling is subject to appeal to the courts.

Among other concerns listed as packers on the Agriculture list of June 17 are the following: Procter & Gamble, Heublein, Inc., Continental Baking Co., Beech-Nut Life Savers, Campbell Soup Co., Carnation Co., Crosse & Blackwell, Durkee Famous Food, H. J. Heinz Co., Libby-McNeill-Libby, The Quaker Oats Co., Seabrook Farms Co., Hot Shoppes, Howard Johnson's, Stouffer Corporation, Birds Eye Division, General Foods Corp., College Inn Food Products Co., Duffy-Mott Co., Gerber Products Co., La Choy Food Products, Division of Beatrice Foods, Stokely-Van Camp.

Of the above, to this point only Procter & Gamble and Crosse & Blackwell have been made the subject of litigation as to packer status. The Commission ruled that Crosse & Blackwell is not a packer. On September 30, 1957, the Commission issued a complaint against Procter & Gamble charging it with violation of the Antimerger Act, Section 7 of the Clayton Act, as amended, by reason of its acquisition of the Clorox Chemical Co. Subsequently, Procter & Gamble sought dismissal of the complaint on the basis that it was a packer. The Commission's hearing examiner denied this motion. But Procter & Gamble, though not appealing the hearing examiner's decision, specifically reserved the right to argue this point subsequently before the Commission.

In seven cases the Commission's Bureau of Litigation has returned to the Bureau of Investigation files containing a recommendation for complaint, for further investigation to determine whether the Commission has jurisdiction under the Packers and Stockyards Act. Several of these cases involve some of the Nation's largest chain-store organizations.

At the present time in the Bureau of Investigation there are pending a total of 31 matters involving concerns which are listed with the Secretary of Agriculture as meat-packers. Because of the jurisdictional questions which have arisen and because the facts developed in such cases do not disclose in detail the exact status of the proposed respondents, supplemental investigation of these 31 matters has been or may be undertaken for the purpose of securing information on their packing status.

Our letters of June 28, 1956 and May 28, 1957, to you have summarized matters referred to the Secretary of Agriculture from January 1, 1950 to May 3, 1957. Our correspondence files indicate that three additional matters have been referred since May 8, 1957, and these are on the attached list. There have been, however, an undetermined number of additional instances in which the Commission has advised complainants of its lack of jurisdiction and has suggested that the parties communicate with the Department of Agriculture.

Sincerely,
EARL W. KINTNER,
General Counsel.

COMPLAINTS ABOUT PACKERS REFERRED TO
DEPARTMENT OF AGRICULTURE

Accompanying the letter was a table entitled, "Summary Information on Complaints Involving the Practices of Packers Which Were Referred to the Department of Agriculture—May 6, 1957,

to March 7, 1958." I ask unanimous consent that the table be printed at this point in the RECORD.

Summary information on complaints involving the practices of packers which were referred to the Department of Agriculture, May 6, 1957–Mar. 7, 1958

Correspondence No.	Packer	Date	Nature of complaint and disposition
8714	Grand Duchess Steaks, Inc.	Nov. 5, 1957	Allegation that hamburger is misbranded as "steak." Complaint transmitted to Department of Agriculture.
8947	Great Atlantic & Pacific Tea Co.	Dec. 4, 1957	Allegation that ribs are removed from rib steaks and the product passed off as T-bone steak. Complaint transmitted to Department of Agriculture.
9667	Stock Yard Inn.....	Feb. 21, 1958	Allegation that advertisement offered mail-order steaks postage prepaid, and consignee was later billed for transportation charges. Complaint transmitted to Department of Agriculture.

DATA ON SALES OF CHAINS POSING AS PACKERS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a partial list of the sales and unit data on the 15 major food chains, mentioned by Mr. Kintner in his letter.

The source of this information is Moody's Industrials for 1957. There is, of course, no question about the accuracy of the report.

We find National Tea Co. listed as having been registered voluntarily, by itself,

Sales and unit data (partially preliminary) on the 15 major food chains

Name	1956 sales	Areas	Units
A. & P. ¹	\$4,304,990,650	40 States and District of Columbia, 2 provinces of Canada.	4,650
Safeway ¹	1,989,305,295	24 States, District of Columbia, and Canada.	1,981
Kroger ¹	1,492,552,000	21 States.....	2,454
American ¹	654,727,474	7 States and District of Columbia.....	953
National Tea ¹	611,635,555	12 States.....	761
First National ¹	491,667,908	7 States.....	661
Food Fair ¹	475,197,534	do.....	238
Colonial.....	423,040,272	11 States.....	449
Winn-Dixie.....	421,327,312	9 States.....	447
Jewel Tea ²	334,755,447	1 State.....	184
ACF Wrigley.....	138,351,493	4 States.....	154
Grand Union.....	374,155,488	9 States, District of Columbia, and Canada	354
Loblaws.....	241,495,440	1 State (New York).....	182
Bohacks.....	141,768,102	do.....	184
Penn Fruit.....	134,140,169	3 States.....	45
Total.....	12,235,110,139		12,719
Total 1956 retail sales of food.....	\$43,040,000,000		

¹ Indicates packers.
² Routes 2,000 in 42 States and District of Columbia.
³ MARGUS.

Source: Moody's Industrials, 1957.

AMERICAN "PACKER" IS OWNED BY FOREIGN CORPORATION

Mr. O'MAHONEY. Mr. President, there is a little mistake about National Tea Co. It is listed here as one of the 15 largest food chains. But National Tea Co. is no longer an independent corporation. National Tea Co. become the property of George Weston, Ltd., about Thanksgiving 1955. There was a payment of, I think, some \$25 million to accomplish that sale. Barron's Weekly, for St. Patrick's Day, this year, published an article, which I ask unanimous consent to have printed in the RECORD, although I shall read a part of it now. The title is:

George Weston, Ltd. It has carved out a vast empire in the food business.

I wish to make it clear, before I read from the article, that what I am talking about is the manner in which a foreign corporation, created by a government other than ours, can evade the antitrust

There being no objection, the table was ordered to be printed in the RECORD, as follows:

with the Department of Agriculture as a packer. The meaning of this registration is that National Tea Co., which engages in the sale of many commodities besides meat products—and to what extent it engages in the sale of meat products, I am not prepared to say at this moment—is released from the prohibitions against unfair and monopolistic trade practices.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

laws of the United States. George Weston, Ltd., is not an American company.

Mr. President, there is not a family in the United States which is not interested in the price of food. The departments of the Government tell us every day and every month that the cost of living is rising and that the price of food is rising. It was so stated today in the March issue of Economic Indicators.

George Weston, Ltd., is a vast empire in the food business.

The article reads in part as follows:

When business lags, corporate horizons narrow. In slack periods like the present, most companies prefer to sit tight and wait for a turn in the economy. Thus a growing number of expansion programs of late have been trimmed severely or shelved. Yet in the past hard times have brought some companies opportunities for vigorous growth. Notable among these is George Weston, Ltd., of Toronto. By buying up impoverished firms in the early thirties, it grew from a successful but small biscuit

baker into a major one. Moreover, in the process it entered the United States market, thus laying the foundation for today's mighty food empire, which spans the length and breadth of North America.

Mr. President, when I read the fore-going from Barron's Weekly, certainly no one can charge me with indulging in extravagant language of the left. Instead, I am reading the language of the right; I am reading the language used by the conservative Wall Street publication, Barron's Weekly, which refers to George Weston, Ltd., as having laid "the foundation for today's mighty food empire, which spans the length and breadth of North America."

I read further from the article:

BUSINESS SCOPE WIDENED

It was the momentum gathered during the great depression, as much as anything, that enabled Weston to cash in so handsomely on the postwar boom. In the decade following the end of World War II, its profits more than tripled. Furthermore, the scope of the business was broadened greatly. Through acquisition of controlling interests in Loblaw Groceries, a leading Canadian grocery chain, and National Tea, an equally fast-growing United States counterpart, Weston carved out an impressive niche in the burgeoning supermarket field. As a result, Weston now occupies a unique position in the food industry. On the one hand, it is an important manufacturer and distributor of biscuits, bread, cakes, and other food products; on the other, as retailer, it controls a vast Canadian and United States network of over 1,000 supermarkets.

Mr. President, I shall not take more of the time of the Senate this afternoon to read from the article. Instead, I ask unanimous consent that the full text of the article, together with the accompanying table, as they appear on pages 15 to 18 of Barron's Weekly of March 17, 1958, be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GEORGE WESTON, LTD.: IT HAS CARVED OUT A VAST EMPIRE IN THE FOOD BUSINESS

When business lags, corporate horizons narrow. In slack periods like the present, most companies prefer to sit tight and wait for a turn in the economy. Thus a growing number of expansion programs of late have been trimmed severely or shelved. Yet in the past hard times have brought some companies opportunities for vigorous growth. Notable among these is George Weston, Ltd., of Toronto. By buying up impoverished firms in the early thirties, it grew from a successful but small biscuit baker into a major one. Moreover, in the process it entered the United States market, thus laying the foundation for today's mighty food empire, which spans the length and breadth of North America.

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It was the momentum gathered during the great depression, as much as anything, that enabled Weston to cash in so handsomely on the postwar boom. In the decade following the end of World War II, its profits more than tripled. Furthermore, the scope of the business was broadened greatly. Through acquisition of controlling interests in Loblaw Groceries, a leading Canadian grocery chain, and National Tea, an equally fast-growing United States counterpart, Weston carved out an impressive niche in the burgeoning supermarket field. As a result,

Weston now occupies a unique position in the food industry. On the one hand, it is an important manufacturer and distributor of biscuits, bread, cakes, and other food products; on the other, as retailer, it controls a vast Canadian and United States network of over 1,000 supermarkets.

The instrument through which it exercises control over its food chain Goliaths is a 51-percent-owned holding company, Loblaw Cos. The latter holds 97 percent of the common and second preferred shares of Loblaw Groceries, which operates 188 stores in Ontario. In turn, Loblaw Groceries holds 55 percent of the stock of Loblaw's, Inc. The latter chain numbers 121 units in New York State, 37 in Pennsylvania, 22 in Ohio, and 1 in West Virginia. Loblaw Groceries also owns about 30 percent of the common of National Tea, which has 883 outlets, concentrated principally in the Midwest. Recently, George C. Metcalf, the empire's chief executive (president of Weston and Loblaw companies and chairman of Loblaw Groceries and National Tea), confirmed that eventually Loblaw's, Inc., and National Tea would be merged. The possibility also exists of an ultimate further amalgam, including Loblaw Groceries.

Except to the extent of dividends received, the interest in the Loblaw group is not consolidated in the parent company's balance sheet. A truer measure of Weston's earning power is obtained by including the company's interest in the net of its nonconsolidated subsidiaries. On such a pro forma basis, Weston earned \$3.10 per share in 1957, a brisk 12.8 percent gain over 1956's \$2.73. In view of the continuing stress on expansion—the 3 grocery chains under its control will open a combined total of 200 supermarkets this year alone—and the resourceful merchandising which characterizes every segment of its widespread operations, further progress appears likely in 1958.

On the manufacturing end, Weston turns out a host of food products on both sides of the border. In biscuits, it ranks first in Canada and, through Weston Biscuit Co., a wholly owned subsidiary, fourth in this country. In the Dominion, in addition to the parent company, which has biscuit facilities in Toronto, Longueuil (Montreal), and Edmonton, and a confectionery plant at Brantford, Ontario, the roster of operating companies includes Marven's, Ltd., which produces biscuits and potato chips for the Maritimes and Quebec markets; McCormick's, in London, Ontario, which turns out biscuits, candy, ice cream cones, and sipping straws; Paulin-Chambers, which makes biscuits and candy in Winnipeg; and the Independent Biscuit Co. of Calgary, Alberta.

Each member of this coast-to-coast Canadian biscuit and candy network operates on a highly decentralized basis. In fact, they compete with one another on the shelves of Loblaw Groceries. In addition, each subsidiary handles its own purchases of essential ingredients, and draws up and directs its own advertising program. Supplementing their activities is Weston Bakers, Ltd., which operates cake and bread bakeries in most of the Dominion's leading cities. Another subsidiary, Western Grocers, Ltd., runs a string of cold storage plants and warehouses, from the Great Lakes to Vancouver. Western Grocers also carries on a large wholesale food and vegetable business and a wholesale grocery operation in British Columbia. It is affiliated closely with Red and White Stores. Although independently owned, Red and White's 1,000 outlets are associated with Western Grocers under a merchandising agreement.

The Weston empire encompasses still more. The William Neilson subsidiary in Toronto manufactures and distributes cocoa, boxed chocolates, candy bars, and ice cream. Doctor Jackson Foods, Ltd., produces uncooked ce-

reals at facilities in Toronto and Longueuil. Willard's Chocolate Co. also is Toronto based. Somerville, Ltd., operates seven converting plants specializing in offset lithography and printing of folding cartons for packaging food, candy, drugs, and tobacco products. Besides providing most of the wrapping materials for the Weston subsidiaries, Somerville is a large supplier to the automotive industry of cardboard-type panels for the inside of car and truck doors.

In all, the organization's food sales run to \$2 billion a year. The parent company does not disclose the respective contributions to earnings of the various segments of its operation. Nevertheless, it is believed that, excluding dividends from Loblaw companies, between 30 percent and 40 percent of profits are derived from the United States subsidiary; 25 percent from Western Grocers, Ltd., and the balance from the remaining subsidiaries. Although Loblaw companies has enjoyed sharply rising and substantial earnings, its dividend payout in recent years has been extremely small. Last year, for example, out of earnings of \$2.64, it distributed only 40 cents. Thus, as noted, Weston's official statement does not reveal its full stake in the earnings of the Loblaw group.

A word might be pertinent here about Loblaw Groceries. It boasts the highest net return per dollar of sales of any food chain this side of the Iron Curtain. In part, such impressive profit margins reflect its concentration in the Province of Ontario. They also can be attributed to a tight-fisted control over costs, and consumer acceptance of quality merchandise at prices above those of similar products offered by competitors. The chain currently is branching out into western Canada, a move which should be facilitated by Western Grocers' firmly entrenched position in that area.

The latest available balance sheet of George Weston showed a sound financial condition. Current assets totaled \$42.3 million, including some \$6.6 million in cash, \$12.6 million in receivables and almost \$23 million in inventories. Current liabilities aggregated \$19.4 million; net working capital amounted to \$22.9 million, and the current ratio stood at a comfortable 2.2 to 1. Capitalization consists of \$16.1 million of long-term debt, including \$6.4 million 4¾ percent 15-year debentures, due 1968, and \$9.7 million 4¾ percent 15-year debentures, due 1971; \$11.6 million 4½ percent cumulative preferred stock; \$8 million 6 percent cumulative preferred stock; 1,371,792 shares of class A common and 1,371,792 shares of class B common. The two classes of common are identical, except that the class A shares (traded on the Toronto Exchange) have a small prior dividend right, but no vote. Warrants are outstanding to purchase 300,000 class A shares, at prices ranging from \$22.50 to \$27 through October 15, 1966.

Through his ownership of the Weston B shares, control of the huge food empire rests in the hands of Willard Garfield Weston, son of the company's founder. It was Mr. Weston, incidentally, who guided the concern to its rapid growth in the thirties. Now living in England, he no longer is active in management of the Canadian company.

Weston's stockholders have received some payment every year since 1930. Since the end of World War II, the annual payout has increased gradually from 15 cents in 1947 to the current 50 cents. (Loblaw has an unbroken dividend skein stretching back to 1925.)

Moreover, it would seem that Weston's 4,500-odd shareholders can anticipate a steadily larger payout as earnings increase. Prospects for growing profits, this year and over the longer term, appear promising. For one thing, the company has demonstrated its ability to prosper in bad times as well as good. Further, its recent diversification

within the food business has strengthened greatly both current and potential earning power. Finally, it can be expected to benefit

particularly from such trends as an expanding population and the continuing economic development of the Dominion.

*George Weston, Ltd., and subsidiaries other than Loblaw Cos. Ltd., and its subsidiaries
10-year financial data*

Year end Dec. 31	Net operating profit	Depreciation	Interest on funded debt	Taxes on income	Net proceeds after minority interests	Earnings ¹	Dividends ¹	Range ¹
	Millions	Millions	Millions	Millions	Millions			
1956.....	\$13.87	\$4.10	\$0.75	\$3.28	\$5.49	\$1.57	\$0.27½	\$36¼ to \$18¼.
1955.....	11.99	4.00	.60	3.20	3.93	.96	.25	\$37½ to \$14¼.
1954.....	11.84	3.88	.60	3.36	3.36	.66	.25	\$16¾ to \$8¾.
1953.....	11.85	3.69	.50	3.77	3.18	.65	.25	\$87½ to \$67½.
1952.....	11.39	2.58	.11	4.75	3.25	.64	.25	\$6¾ to \$5.
1951.....	9.39	2.40	.12	3.36	2.68	.45	.217½	\$6¾ to \$5.
1950.....	9.73	2.43	.14	3.13	3.06	.60	.18¾	\$6 to \$4½.
1949.....	8.23	1.87	.14	2.68	2.62	.51	.18¾	\$5 to \$3½.
1948.....	7.07	1.31	.19	2.26	2.40	.47	.167½	\$5¼ to \$4½.
1947.....	6.88	.77	.15	2.7	2.50	.48	.15	\$5½ to \$4½.

¹ Per common share. Adjusted for 4-for-3 split in 1951 and a 4-for-1 split in 1955.

KEEPING FTC ON JOB IS RECESSION REMEDY

Mr. O'MAHERNEY. Mr. President, the question the Senate must answer in connection with its consideration of this measure is whether the executive branch and the legislative branch are to rush pellmell to appropriate billions of dollars for plasters to be applied to the heart of the disease and apply a remedy. The remedy is clear: It is to keep the Federal Trade Commission on the job as the guardian of the public interest.

If the packers succeed now in having the jurisdiction of the Federal Trade Commission removed from the meat-packing industry, they will also succeed in having the jurisdiction of the Federal Trade Commission removed from the chain store industry.

The records of the Department of Justice and the records of the Federal Trade Commission show that there have been violations of the antitrust laws. The hearings which this subcommittee of the Judiciary Committee has held show that from various quarters innumerable complaints have been received about discriminatory pricing in violation of the antitrust laws, and also about false and misleading advertising, tie-in sales, exclusive contracts, price fixing, and what are called "stabilized pricing" practices.

Oh, how nice it is to use a happy phrase such as "stabilized pricing" for an anti-trust practice, rather than to use the phrase "price fixing." But regardless of whether the price is said to be "stabilized" or "fixed," the consumer is required to pay more, and the producer receives less.

Numerous complaints have also been received about exclusion of competitors, allocation of markets and customers, unlawful rebates and allowances, and mergers.

MONOPOLISTIC PRACTICES ARE CRUSHING SMALL BUSINESS

Mr. President, by means of mergers and interlocking directorates—all of which are practices about which complaints have been received—small business is being crushed. That is what we are witnessing today.

Mr. President, is all this just a dream of mine? Indeed not. When President

Eisenhower sent his economic message to the Congress, one of the recommendations he made was that the limitation on the life of the Small Business Administration be repealed, so that small businesses might continue to come to the Small Business Administration for loans from the Treasury of the United States. The Treasury borrows the money and pays a steadily increasing rate of interest because the Congress is unwilling to take the acts which necessarily must be taken in order to maintain free, independent enterprise. If the Congress is going to permit small business to wither on the vine, then we may be sure that, as a result, monopoly will take over. There can be no doubt about that. When private management controls the commerce among the States and with foreign nations, free government in the United States of America will have ceased.

MANAGEMENT AND OWNERSHIP HAVE BEEN SEPARATED

Mr. President, these are not figments of the imagination. Mr. Cordiner, the head of the General Electric Co., made a speech before the Columbia University School of Business, in 1955, I believe. The speech should be read by every Member of Congress and by every member of every governmental department. In the course of that speech, Mr. Cordiner said that modern big business had witnessed a great change. He said that the functions of ownership and management had been divided, with the result that one group owns and the other group manages. He pointed out that thousands and thousands of people own small groups of shares of stock—1 share, 5 shares, 10 shares, or 20 shares—and content themselves, so far as management is concerned, merely with signing the proxies which they send to the annual stockholders' meetings, there to be voted by the management, and then the management puts through its own plans by which the managers are rewarded. They are allowed options to buy stock in the company at a particular rate. When the market is "right," they buy the stock; and when the market is "right" again, from their point of view, they sell the stock. Thus they make capital gains, instead of income profits on which they would be required to pay taxes.

Oh, we pay no attention to these pretty devices by which management ac-

cumulates, and the poor find it impossible to get out from under the canopy of debt under which they live.

LEADS TO BIG BUSINESS, BIG UNIONS, BIG GOVERNMENT

Big business, if it controls this Government for the rest of this year or for 2 years more, will make inevitable the development of big government.

Twenty years ago, in discussing this matter, I pointed out that the neglect by Congress respecting the issuance by the States, which have no power to regulate interstate commerce of charters of the corporations which carry on that commerce was leading to the creation of big labor unions, and to the creation of big government. All of this has occurred while Congress has been delegating away its power.

BIG PACKERS FORCING OUT SMALL PACKERS

Now we are confronted once more with the problem of the packers who, through the American Meat Institute, travel up and down the countryside seeking to convince the small packers and the stock growers that they are the custodians of their welfare. Small packers are losing out. The record shows mergers are taking place.

I have in my hand a memorandum on the American Meat Institute which I should like to make a part of this RECORD. It is an association of meatpackers, dominated by the giant packing companies.

The American Meat Institute is an association of meatpackers, dominated by the giant packing companies, and used as an instrument for the promotion of the aims of those companies through public relations campaigns and Federal and State lobbying. While its membership includes about 435 meatpackers, processors, and wholesalers, the representatives of the largest packers have always served in important positions on its board and in its committees. It is financed by dues which are based on the number of livestock each company slaughters, and it is needless to point out that the companies which make the largest contributions are going to control the purse strings of the organization and are going to dominate the policymaking decisions that are made.

When the American Meat Institute reported to the committee on its operations in 1956, all of the top 10 companies, except 1, and practically all of the top 20, were on its board of directors. Its 39 working committees, which do much of the work and make many decisions for the institute, were almost all chaired by representatives of Swift, Armour, Cudahy, Wilson, Morrell, Hormel, Rath, and Oscar Mayer. Only three committees were chaired by representatives of companies other than these companies which are in the top 10. Nine committees were chaired by representatives of Swift, 7 by Hormel, 5 by Armour, 4 by Wilson, 3 each by Rath and Mayer, 2 each by Morrell and Cudahy, and 1 each by 3 smaller companies.

The important legal committee was at the time of the report entirely staffed by representatives of the top 10 packers.

I must repeat that. The legal committee was entirely staffed by members of

the management of the top 10 packers—a fine group, indeed, Mr. President, to whom to delegate away the power of Congress to regulate commerce in the meat industry.

Its chairman was Templeton Brown, a private attorney who has represented Swift and other packing companies for many years.

The AMI has spent substantial sums of money for advertising and public relations during recent years, as follows:

1951-52	-----	\$2, 409, 879. 20
1952-53	-----	669, 148. 91
1953-54	-----	836, 525. 86
1954-55	-----	822, 370. 10
1955-56	-----	502, 393. 39

I would be interested in getting figures for 1957 and the first 2 months of 1958. Have no doubt about it, I shall get them.

The principal lobbyist for the AMI in recent years has been Aled Davies, who is identified by Wesley McCune in his book, "Who's Behind Our Farm Policy" (1956) as one of the lobbyists who have been influential in our farm policy. He named Davies as having served as "consultant to Secretary Benson" and "consultant to the Commodity Credit Corporation" during the Eisenhower administration. Davies, he says, has been a personal friend of Secretary Benson for "many years."

I might say Davies has been a friend of mine. Friendship does not necessarily mean influence, of course; but I know very well that he is an influential and able leader of the American Meat Institute, and that he has been represented in person at many of the meetings of the various conventions of stockmen throughout the country.

The Department of Agriculture has stated, in a letter dated January 15, 1958, that Mr. Davies was in fact employed by the Department during the fall of 1953, given the title of expert, and asked to perform advisory and consultative service in connection with the Department's program to promote the consumption of beef.

NONMEAT ACTIVITIES OF BIG PACKERS

Mr. President, I ask unanimous consent to have printed at this point in my remarks a list of the nonmeat activities of large packers.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NONMEAT ACTIVITIES OF LARGER PACKERS (A FEW OF THESE PRODUCTS MAY BE DERIVATIVES OF LIVESTOCK)

Swift: Poultry, butter, cheese, margarine, ice cream, like products, eggs, soy beans and peanut oils, cooking oil and other vegetable compounds, sulfuric acid, adhesive, gelatin, glycerin, soap, industrial oils, fatty acids.

Armour: Poultry, butter, cheese, eggs, vegetable oils, salad oils, margarine, shortening, soap, toilet articles, glue, glycerin, fatty acids, curled hair, sandpaper, ammonia cylinder-filling operations, tanning of hides, manufacture of leather products, chemicals and pharmaceuticals, fertilizers (including mining of components).

Wilson: Dairy and poultry products, pharmaceuticals, industrial oils, gelatin, hair, commercial acids, dog and cat food, edible fats and oils, athletic goods, equipment and wear.

Cudahy: Vegetable oils, shortening, cooking and salad oils, eggs, poultry, cheese,

cream and butter, margarine, ice cream, mining of rock salt, operating of brine wells.

Morrell: Butter and creamery products, dog and cat food.

MERGERS AMONG PACKERS

Mr. O'MAHONEY. Mr. President, with respect to mergers, there appears in the printed RECORD, at pages 279 through 289, a tabulation entitled "A Summary of Acquisitions by Packers From 1930 to June 1955." This tabulation covers the mergers and acquisitions accomplished over the years by the larger packers, including the following: Swift, Armour, Wilson, Cudahy, Hygrade, Oscar-Mayer.

Of the 10 packing companies listed, the tabulation shows that a grant total of 320 independent companies were acquired, with businesses ranging from packing and slaughtering plants and dairy products to general business unrelated to the packing industry, as shown at page 279 of the report.

Why, these mergers constitute vast empires, just as Barron's Weekly dominated George Weston, Ltd., a vast food empire.

The protection of the right of the people to produce living food or planted food upon the land and sell it in a free market is involved. That opportunity today is being taken away from them by the monopolistic growth of big business.

DEPARTMENT OF AGRICULTURE HAS NOT INVESTIGATED MERGERS

None of the witnesses interrogated during the hearings had any information concerning possible investigation by the Department of Agriculture concerning the effect on competition which such mergers and acquisitions have had. Mr. E. F. Forbes, president and general manager, Western States Meat Packers Association, Inc., testified as follows on this point:

Although the Department of Agriculture has the responsibility to investigate mergers which tend to create monopoly powers, it was brought out at the hearings before this subcommittee last July that the Packers and Stockyards Branch has never investigated a single merger in the meatpacking industry.

That testimony is taken from page 100 of the report.

The record is clear that the Department of Agriculture has never undertaken a formal proceeding for the purpose of limiting or preventing the merger trend. Yet the Congress, in enacting the Packers and Stockyards Act, charged the Department of Agriculture with the principal responsibility with reference to these types of practices in the meatpacking industry.

Mr. Angus McDonald, assistant legislative secretary of the National Farmers Union, was aware of this problem when he appeared as a witness before the subcommittee. Commencing at page 150 of the printed record, there appears a careful study of vertical mergers which have occurred in the industry. It is a most interesting analysis and I commend it to Senators. At page 156, Mr. McDonald states in part:

Studies of the Federal Trade Commission indicate that every great wave of mergers, of which there have been several since the turn of the century, are accompanied by skyrocketing profits. * * * Attention is called to the fact that during the same pe-

riod when wheat and dairy farmers and livestock growers were experiencing the most drastic decline in profits since 1952, that profits of these corporations, processors and products were increasing by leaps and bounds. Recent disastrous price declines have wiped out thousands of farmers and have endangered the solvency of hundreds of thousands and perhaps millions.

FARM PROBLEM UNSOLVED

"Oh, Mr. President, we talk about the farm problem and the fact that it has not been solved. It has not been solved. It has not been solved during this administration or during preceding administrations.

I remember when President Coolidge and President Hoover vetoed farm-relief bills passed by Republican Congresses because the power of these concentrated mergers was so great that the groups were able to overcome the minds of Congressmen.

The time has come when Congress should do something to solve the farm problem and set the individual farmer free from the totalitarian economic dictation under which he now suffers. We should free the Government from the necessity of levying taxes upon the people to raise billions of dollars to pay farm benefits, subsidies, Soil Bank payments and the like, which do no good.

INDIVIDUAL CITIZEN MORE IMPORTANT THAN CORPORATION

The time has come when we should return to sound American principles of freedom, political and economic freedom. I am confident that before we finish with the bill under consideration in the present session of Congress we shall have acquainted all the country, from coast to coast, with the fact that the individual comes first, that the individual citizen is more important than the artificial corporation, and that Congress itself must prescribe the manner in which regulation shall take place.

Such prescription has already been made. It is the Federal Trade Commission Act.

PACKERS SUBJECT TO PACKERS AND STOCKYARDS ACT

With these words, Mr. President, I conclude; but first I wish to have printed in the RECORD at this point a document from the United States Department of Agriculture, Agricultural Marketing Service, Livestock Division, June 17, 1957, giving a list of packers subject to the provisions of the Packers and Stockyards Act, 1921, as amended. The list gives all who have been listed as subject to the act. I have arranged to have marked all the companies which are obviously not packers but are, instead, food operators, giant chains, organizations which desire to escape the regulation of unfair trade and monopolistic practices set forth in the Federal Trade Commission Act.

I ask unanimous consent that the list be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF PACKERS SUBJECT TO PROVISIONS OF THE PACKERS AND STOCKYARDS ACT, 1921, AS AMENDED

A A Hotel & Restaurant Supply Co., Inc., 2025 Gravois Avenue, St. Louis, Mo.

- A. B. C. Packing Co., 1709 5th Street, Wichita Falls, Tex.
- Aberdeen Packing Plant, Box 235, Aberdeen, N. C.
- Ace Packing House, 20137 Denquire, Detroit, Mich.
- Acme Meat Co., Inc., 4366 Alcoa Avenue, Los Angeles, Calif.
- Ralph & Paul Adams, Bridgeville, Del.
- S. Adams Packing Co., 4900 Emerson Street, Denver, Colo.
- Addonizio Bros., 156 Salem Street, Boston, Mass.
- The J. C. Adler Co., Inc., West Jefferson and Bluff, Joliet, Ill.
- Akins & Fincannon Packing Co., Box 216, Sand Springs, Okla.
- The Akron Standard Market Co., 198 Wooster Avenue, Akron, Ohio.
- Agar Packing & Provision Corp., 4057 South Union Street, Chicago, Ill.
- Airways Supply Co., Box 117, Kenner, La.
- Ajax Meat Packing Co., 3320 East Vernon, Los Angeles, Calif.
- Albert Packing Co., Inc., Chartiers Street, Washington, Pa.
- Emil Allnikoff, 92 South Pennsylvania Avenue, Wilkes-Barre, Pa.
- James Allan & Sons, Evans Avenue and Third Street, San Francisco, Calif.
- Allen Brothers, Inc., 3737-39 South Halsted Street, Chicago, Ill.
- Allendale Beef Co., R. D. No. 3, Hudsonville, Mich.
- AllFresh Food Products, Inc., 2156 Green Bay Road, Evanston, Ill.
- J. H. Allison & Co., Middle Street, Chattanooga, Tenn.
- Almeida & Cabral, Inc., 156 Fifth Street, Cambridge, Mass.
- Alpha Beta Packing Co., 17311 Nicols Avenue, Huntington Beach, Calif.
- Alpine Meat Pack, Inc., 1100 West 6894 South, North Salt Lake, Utah.
- Alpine Packing Co., Route 2, Box 411, Stockton, Calif.
- Alta Meat Co., Post Office Box 428, Dinuba, Calif.
- Louis Altberger, 5600 York Street, Denver, Colo.
- Amarillo Packing Co., 1809 Northeast Third Avenue, Amarillo, Tex.
- Samuel Amdorsky, 150 Joseph Avenue, Rochester, N. Y.
- Amend Packing Co., 410 Southeast 18th Street, Des Moines, Iowa.
- American Home Foods, 40 Hanover Avenue, Morris Plains, N. J.
- American Packing Co., 3858 Garfield Avenue, St. Louis, Mo.
- American Kosher Products, Inc., 1188-1190 Blue Hill Avenue, Dorchester, Mass.
- American Stores Co., 124 North 15th Street, Philadelphia, Pa.
- Anderson Abattoir, Box 626, Anderson, S. C.
- Anderson & Tarlow, Inc., 486 Austin Place, Bronx, N. Y.
- J. S. Anderson Packing Co., Inc., 510 West Hackley Avenue, Muskegon, Mich.
- Fred L. Andrews Estate, R. D. No. 2, Box 403, Nazareth, Pa.
- Anker Meat Co., Post Office Box 873, Modesto, Calif.
- Apache Packing Co., 1500 Tampico Street, San Antonio, Tex.
- Apex Packing Co., 916-918 West Fulton Street, Chicago, Ill.
- Arbogast & Bastian, Inc., 1-31 Hamilton Street, Allentown, Pa.
- Arcadia Packing House, 727 Blue Island Avenue, Chicago, Ill.
- E. J. Archie & Sons, Inc., 626-630 Howard Street, Buffalo, N. Y.
- Armour & Co., Union Stock Yards, Chicago, Ill.
- Gilbert P. Arnold & Sons, Oak Tree Road, Iselin, N. J.
- Arnurios, Dunn & Co., 236-242 Pleasant Street, Hartford, Conn.
- Wm. Aronson, 211 Maple Street, Glens Falls, N. Y.
- Arrow Meat Co., Cornelius, Ore.
- The Arvada Packing Co., Arvada, Colo.
- Associated Meat Packers, Inc., 8349 North Vancouver Avenue, Portland, Ore.
- Astor Abattoir, Inc., 324 Astor Street, Newark, N. J.
- Atacosa Packing Co., Pleasanton, Tex.
- Atlas Packing Co., 1515 East Seventh Street, Tulsa, Okla.
- Atlas Packing Co., Inc., 3501 East Vernon Avenue, Los Angeles, Calif.
- Auburn Packing Co., Inc., Box 519, Auburn, Wash.
- Ed Auge Packing Co., 1305 South Brazos Street, San Antonio, Tex.
- Auth Sausage Co., Inc., 1260 Fifth Street NE., Washington, D. C.
- Autin Packing Co., Inc., Corner School and Canal Streets, Houma, La.
- Avera Provision Co., Olive Road, Augusta, Ga.
- Avon Packing Co., Route No. 2, Mount Vernon, Wash.
- B & M Packing Co., West of City, Burley, Idaho.
- B & W Packing Co., 205 Second Street, East, Lemmon, S. Dak.
- L. H. Babb, Ivor, Va.
- Bacino-Pizza Food Products Corp., 546 Ingraham Avenue, Calumet City, Ill.
- Bacon Crisp Co., 24434 West Warren Avenue, Dearborn, Mich.
- Baconette Products, 1925 Glendale Boulevard, Los Angeles, Calif.
- Balentine Packing Co., Inc., Box 1590, Greenville, S. C.
- John Ballek, RFD 1, Riegelsville, Pa.
- Baltz Bros. Packing Co., Elm Hill Road, Nashville, Tenn.
- Charles Banfield Co., 1443 North Cincinnati, Tulsa, Okla.
- Banfield Frozen Food Co., 30 Lewis, Tulsa, Okla.
- Barnes Provision, Inc., Road 1, Alliance, Ohio.
- Harry Barr & Son, 55 L. W. 12th Street, New York, N. Y.
- Bartels Packing Co., Cottage Grove, Ore.
- G. Bartusch Packing Co., 567 North Cleveland Avenue, St. Paul, Minn.
- Basin Packing Co., Post Office Box 78, Durango, Colo.
- Kayserl Basterma Co., 4 Vassar Road, Poughkeepsie, N. Y.
- Jacob Bauer's Sons, Inc., 2870 Massachusetts Avenue, Cincinnati, Ohio.
- Max Bauer Meat Packer, 330 West 23d Street, Post Office Box 704, Hialeah, Fla.
- D. S. Baum, Route 3, Elizabethtown, Pa.
- Baum Packing Co., 4124 West Natural Bridge, St. Louis, Mo.
- H. P. Beale & Sons, Courtland, Va.
- J. W. Beardsley's Sons, 696-702 Frelinghuysen Avenue, Newark, N. J.
- Beasley Packing Co., Inc., of Florida, Post Office Box 1501, Pensacola, Fla.
- Beasley Packing Co., Inc., Box 246, Hattiesburg, Miss.
- Beaver Valley Packing Co., 1215 Fifth Street, New Brighton, Pa.
- Beaver's Meats, Route 3, London Road, Delaware, Ohio.
- Beavers Packing Co., Newman, Ga.
- Bechtols, Orrville, Ohio.
- Beck Provision Co., 82 Abbott Road, Buffalo, N. Y.
- L. Beck & Sons, 3829 Morgan Street, Chicago, Ill.
- Beck Bros., 361 Tilghman Street, Allentown, Pa.
- Becwar Packing Co., North 601 Freya Street, Spokane, Wash.
- Beech-Nut Life Savers, Inc., Canajoharie, N. Y.
- Edward F. Beicke, 1195 William Street, Buffalo, N. Y.
- Beinecke, Inc., 821-825 Washington Street, New York, N. Y.
- Belvedere, Inc., 5580 Utica Road, Fraser, Mich.
- Berchem's Meat Co., Post Office Box 102, Niles, Calif.
- David Berg & Co., 163-167 South Water Market, Chicago, Ill.
- William Bergin, 3800 South Halsted Street, Chicago, Ill.
- Frances E. Bergman, 3620 Linden Avenue, Dayton, Ohio.
- Bergman Packing Co., Griggsville, Ill.
- Edward G. Berlett & Sons, Inc., 263 South Conkling Street, Baltimore, Md.
- Berks Packing Co., Inc., 307-323 Bingman Street, Reading, Pa.
- Louis M. Berman, Inc., 38 Colfax Street, Pawtucket, R. I.
- Berman Food Products Co., 47 Waverly Avenue, Newark, N. J.
- Bernhard's Sausage Co., Inc., 2433 North 20th Street, Post Office Box 54, Sheboygan, Wis.
- Schmulka Bernstein & Co., Inc., 107-109 Rivington Street, New York, N. Y.
- Berry Packing Co., 400 Medio Street, San Antonio, Tex.
- Max Besbrls, 1881 Ravine Road, Kalamazoo, Mich.
- Best Kosher Sausage Co., 3527-3529 West Roosevelt Road, Chicago, Ill.
- Beste Provision Co., 115 Logan Street, Wilmington, Del.
- Betbeze Bros., 705 23d Avenue, Meridian, Miss.
- Bethlehem Packing Co., 610 Wyandotte Street, Bethlehem, Pa.
- Bettinger & Barnett, 1459 East Kirby, Detroit, Mich.
- Beverly Meat & Locker, 613 East Pacific, Salina, Kans.
- Curt Biastock Wholesale Meats, 1300 Centennial Avenue, Butte, Mont.
- Biffs Steaks, Inc., 1621 30th Street NE., Canton, Ohio.
- A. Bills & Co., South Main Street, Midvale, Utah.
- Bilt-More Food Prod. Co., Inc., 1034 Howell Mill Road NW., Atlanta, Ga.
- Bird Provision Co., Powerton Road, Pekin, Ill.
- Birds Eye Division, General Foods Corp., Clarke Avenue, Pocomoke City, Md.
- Black Hills Packing Co., Rapid City, S. Dak.
- Blaskovics, Inc., 1101 West Walnut Street, Milwaukee, Wis.
- Morris Blinder & Co., Inc., 32 North Street, Boston, Mass.
- Bloomfield Packing Co., 2108-2114 East Street, Pittsburgh, Pa.
- Bloomington Packing Co., Inc., West Sixth Street, Bloomington, Ind.
- Blue Grass Provision Co., Inc., 309-315 West 12th Street, Covington, Ky.
- Blue Ribbon Packing Co., Inc., 4767 Calhoun Road, Houston, Tex.
- Blue Star Foods, Inc., 501 West Broadway, Council Bluffs, Iowa.
- Blumensteln Packing House, Lebanon, Ill.
- J. J. Boeckmann & Son Packing Co., 1218 Keowee Street, Dayton, Ohio.
- Bogart Packing Co., Inc., 300 Johnson Avenue, Brooklyn, N. Y.
- Boise Valley Packing Co., Eagle, Idaho.
- E. R. Boliantz, 1276 Main Street South, Mansfield, Ohio.
- John Boll & Son, 318 South Fourth Street, Ironton, Ohio.
- S. Bonaccorso & Sons., 1426-1438 South Front Street, Philadelphia, Pa.
- Bongiorni Bros., Box 406, Slovan, Pa.
- Bonnee Frozen Products Co., 8144 Olive Street Road, St. Louis, Mo.
- Bon Ton Saratoga Chip Distributors, Rear 1229 D Street SE., Washington, D. C.
- Antonio Bonuomo, 912 South Ninth Street, Philadelphia, Pa.
- Bookey Packing Co., Southeast 18th and Scott, Des Moines, Iowa.
- Boone County Packing Co., Rural Route 3, Lebanon, Ind.
- Border City Packing Co., 110 North C Street, Fort Smith, Ark.

- August Born & Son, 2250 North Teutonia Avenue, Milwaukee, Wis.
- Bornstein & Pearl Provision Co., Inc., 196 Quincy Street, Roxbury, Mass.
- Boston Brokerage Co., 148 State Street, Boston, Mass.
- Boston Sausage & Provision Co., Constitution Wharf, Boston, Mass.
- Bouckaert Packing Co., 218 Sidney Street, St. Louis, Mo.
- Bourbon-Bell Corp., 3449 West 48th Place, Chicago, Ill.
- Bovalina Packing Co., 9 Main Street, Slovan, Pa.
- Frank B. Bowman Co., 6 Abattoir Road, Brighton, Mass.
- Bracco & Co., 768 North Commercial Street, Trinidad, Colo.
- A. Bradnan, 3183 West 65th Street, Cleveland, Ohio.
- Brander Meat Co., 915 North Columbia Boulevard, Portland, Oreg.
- Brandes & Trautman, Elmore, Ohio.
- B. Brauer's Sons, stalls 7 and 9, Sixth Street Market, Richmond, Va.
- Otto C. Brauer, First Market, stalls 13 and 14, Richmond Va.
- Braun Bros. Packing Co., Troy, Ohio.
- P. J. Breish & Son, 816 Noble Street, Philadelphia, Pa.
- P. Brennan, 231 Lewis Street, Buffalo, N. Y.
- The P. Brennan Co., 3927-43 South Halsted Street, Chicago, Ill.
- Brest Packing Co., Fourth and Walnut Streets, Shamokin, Pa.
- Bridgeford Packing Co., Post Office Box 552, Anaheim, Calif.
- Bridwell Packing Co., Post Office Box 584, Kingsport, Tenn.
- Bridwell Packing House, box 814, Bluefield, W. Va.
- Briggs and Co., 454 11th Street SW, Washington, D. C.
- Otto Brick Sons, 466 North Chicago Street, Joliet, Ill.
- Bristol Packing Co., 204 Carssow Building, Lewiston, Idaho.
- Britt Packing Co., 1517 West 59th Street, Shreveport, La.
- M. Brizer & Co., 1515 Drinker Street, Dunmore, Pa.
- Broadway Meat Packers and Provisioners, 501 North Culberhouse Street, Jonesboro, Ark.
- Barnet Brodie, Inc., 123-5-7 Walton Street, Brooklyn, N. Y.
- Brodsky Packing Co., Spearfish, S. D.
- Bronx Meat Co., 440 West 13th Street, New York, N. Y.
- The Brooks Packing Co., Post Office Box 1942, Lake Station, Tulsa, Okla.
- Broken Bow Packing Co., rural free delivery 3, Broken Bow, Nebr.
- M. Bronich, RD 2, West Middlesex Pa.
- Brothro Food Products, Inc., d/b/a Richter's Food Products, Inc., 1040 West Randolph Street, Chicago, Ill.
- V. L. Brousse Co., 162 Esteben Street, Arabi, La.
- John H. Brown, 3514 North Elghth Street, Philadelphia, Pa.
- Brown Packing Co., 158th and Greenwood Avenue, South Holland, Ill.
- Brown & Edwards Packing Co., Route 1, Alexandria, La.
- Brown Packing Co., Inc., 6900 West Capitol Avenue, Post Office Box 2378, Little Rock, Ark.
- Brown Bros., RD 1, Fairview, Pa.
- Brown's Meats, 1606 E. Franklin Street, Richmond, Va.
- Frank Bruno, 1039 South Ninth Street, Philadelphia, Pa.
- Bryan Bros. Packing Co., West Point, Miss.
- Bryan Bros. Packing Co., 2105 Morris Avenue, Birmingham, Ala.
- Bryan & English Packing Co., box 481, Edinburg, Tex.
- Bryan Meat Co., Post Office Box 822, South River Road, Paso Robles, Calif.
- Bryan Sausage Co., Downsville, La.
- Aaron Buchsbaum Co., 729-731 Ninth Avenue, New York, N. Y.
- Buitoni Foods Corp., 450 Huyler Street, South Hackensack, N. J.
- Bullock Manufacturing Co., 317 Whitehall Street SW, Atlanta, Ga.
- Z. B. Bulluck & Son, 131 Washington, Rocky Mount, N. C.
- Bunzel's Wholesale Veal, 2344 South 27th Street, Milwaukee, Wis.
- Buon Gusto Sausage Factory, 535 Green Street, San Francisco, Calif.
- Russell Buono, 133 Cherry Tree Lane, Merchantville, N. J.
- Fred Burger & Co., 1815 John Street, Cincinnati, Ohio.
- Burger Brothers, 551 St. Joseph Street, Lancaster, Pa.
- Buring Packing Co., Inc., Post Office Box 267, Wilson, Ark.
- Nat Buring Packing Co., Inc., 313 South Wagner Place, Memphis, Tenn.
- Louis Burk Co., Girard Avenue and Third Street, Philadelphia, Pa.
- Burkholder Bros., Lebanon, Pa.
- Burison Packing Co., Old Petrolia Road, Wichita Falls, Tex.
- Burham & Morrill Co., 45 Water Street, Portland, Maine.
- Burns Packing Co., 140 Power Road, Grand Junction, Colo.
- Burton Bros., 4773 Calhoun Road, Houston, Tex.
- Roy Burton Wholesale Meats, route 3, North Little Rock, Ark.
- H. F. Busch Co., 4756 Paddock Road, Cincinnati, Ohio.
- W. H. Butcher Packing Co., 101 Southeast 8th Street, Oklahoma City, Okla.
- Butler Packing Co., 505 Negley Avenue, Butler, Pa.
- C. J. D. Packing Co., Inc., 88 Holt Street, Buffalo, N. Y.
- C. & N. Livestock Co., 118 Milan Street, Houston, Tex.
- C. & R. Beef Co., 84 Newmarket Square, Boston, Mass.
- Cadwell, Martin Meat Co., Post Office Box 615, Hanford, Calif.
- Claude Cady Slaughterhouse, Osborne, Kans.
- Caffee & Branum Wholesale Meat Co., Post Office Box 1153, Lubbock, Tex.
- Calabrese Food Products, Inc., 900 Wentworth Avenue, Toronto, Ohio.
- Caldwell Packing Company, Windom, Minn.
- Vernon Calhoun Packing Co., Route 1, Palestine, Tex.
- Calihan & Co., Box 1176, Peoria, Ill.
- The Cambria Packing Co., Jackson, Ohio.
- Camel Bros., 5747 N. Peters Street, New Orleans, La.
- Camp Packing Co., Inc., West Homer Road, Cortland, N. Y.
- S. M. Campbell, Gray, Ky.
- Campbell Brothers, 1271 Jackson Pike, Columbus, Ohio.
- Campbell Soup Co., southwest corner 2d & Market Streets, Camden, New Jersey.
- Canadian Valley Meat Co., 1240 Southwest 15th Street, Oklahoma City, Okla.
- The Canton Provision Co., Carnahan Ave. NE., Canton, Ohio.
- Capitol Beef & Provision Co., Inc., 117 Newmarket Square, Boston, Mass.
- Capitol Kosher Sausage & Prov. Co., 77 Eye Street SE., Washington, D. C.
- Capitol Packing Co., 5000 Clarkson Street, Denver, Colo.
- Cappellino's Abattoir, Inc., 108 W. Main Street, Gouverneur, N. Y.
- Domenico Cappuccio, 1019 S. 9th Street, Philadelphia, Pa.
- Capri Table Products Co., Inc., 1342 39th Street, Brooklyn, N. Y.
- The Carel Corp., 18 No. Virginia Avenue, Penns Grove, N. J.
- Carey Packing Co., Post Office Box 308, Morristown, Tenn.
- Cariani Sausage Co., 2424 Oakdale Avenue, San Francisco, Calif.
- Carnation Co., Los Angeles, Calif.
- Carolina Packers Inc., Smithfield, N. C.
- Rex Carpenter, Rd. 1, Townville, Pa.
- Carr Packing Co., Inc., 410 South Pearl Street, Albany, N. Y.
- Carr Packing Co., Inc., 1 Niver Street, Cohoes, N. Y.
- Carson Packing Co., 17 South Water Street, Philadelphia, Pa.
- Carter Packing Co., Buhl, Idaho.
- Cascade Meats, Inc., Post Office Box 390, 2805 Valpak Road, Salem, Oreg.
- Case Pork Roll Co., Inc., 644 Washington Street, Trenton, N. J.
- Casey Packing Co., Gail Route, Big Spring, Tex.
- Castleberry's Food Co., Inc., 1621 15th Street, Augusta, Ga.
- Anthony Catelli, 622-24 Federal Street, Philadelphia, Pa.
- CeeBee Packing Co., 944 West 38th Place, Chicago, Ill.
- Central Beef Co., 1 Newmarket Square and 225 Southampton Street, Boston, Mass.
- Central Falls Provision Co., Inc., 847 High Street, Central Falls, R. I.
- Central Meat Co., 824 West 38th Place, Chicago, Ill.
- Central New York Packing Co., Inc., 2217 Dwyer Avenue, Utica, N. Y.
- Central Packing Co., Highway 20, Alexandria, La.
- Central Packing Co., Box 262, Cape Girardeau, Mo.
- Central Packing Co., South 24th and Frisco Tracks, Muskogee, Okla.
- Central Packing Co., Old Burk Road, Wichita Falls, Tex.
- Central Packing Co., 300 Central Avenue, Kansas City, Kans.
- Central Packing Corp., 352 Johnson Avenue, Brooklyn, N. Y.
- Century Packing Co., 3301 East Vernon Avenue, Los Angeles, Calif.
- Certified Provision Corp., 500 Broadway, Brooklyn, N. Y.
- Champion Foods Division of the Frito Co., 2827 Nagle, Dallas, Tex.
- Madam Chang Foods Co., 410 Edmond Street, Pittsburgh, Pa.
- Chapman & Chapman, Middleport, N. Y.
- Charney Meat Co., 143-155 Addison Street, East Boston, Mass.
- Chattanooga Sausage Co., Inc., 1801 Ross-ville Avenue, Chattanooga, Tenn.
- Cherokee Packing Co., Gaffney, S. C.
- Cherry-Levis Food Products Co., 424-26 Christian Street, Philadelphia, Pa.
- Cherry Meat Packers, Inc., 4750 South California Avenue, Chicago, Ill.
- Chet's Foods, Inc., 2639 Elizabeth Street, Pueblo, Colo.
- Mike Chiapetti Co., 3810 South Halsted Street, Chicago, Ill.
- Chicago Dressed Meat Co., 529 Westchester Avenue, Bronx, N. Y.
- Chilli-O Frozen Foods Inc., 311 North Aberdeen Street, Chicago, Ill.
- Chilco Quick Freeze, Clanton, Ala.
- Christensen Meat Co., Inc., Post Office Box 152, Tillamook Oreg.
- Churchill Meat Co., Pittsburgh, Pa.
- Cianciulli Bros., Inc., 507-11 Carpenter Street, Philadelphia, Pa.
- Cimply's, Inc., 321-323 Broadway, Yankton, S. Dak.
- Ciralski Packing Co., 21 North Superior Street, Toledo, Ohio.
- Circle Packing Corp., 319 Winstanley Avenue, East St. Louis, Ill.
- Circle T Meat Co., 2828 North Haskell, Dallas, Tex.
- City Beef Company of Bridgeport, Inc., Asylum Street, Bridgeport, Conn.
- City Dressed Beef, 3131 North 31st Street, Milwaukee, Wis.
- City Line Abattoir, 339 Florida Grove Road, Perth Amboy, N. J.

City Meat Market, 514 Cedar Street, Wallace, Idaho.

City Packing Co., Inc., 115 Newmarket Square, Boston, Mass.

City Packing Co., 1931 South 96th Stret, Seattle, Wash.

City Packing Co., Inc., Box 1672, Fort Worth, Tex.

Claridge Food Co., Inc., 41-23 Murray Street, Flushing, N. Y.

Claire Mont Packing Co., Wagner Street, Chippewa Falls, Wis.

H. G. Clark Provision Co., Stillwater Avenue, Dennison, Ohio.

Clark's Packing Plant, Eighth Street and Santa Fe Avenue, Fowler, Colo.

Clayton Packing Co., 4303-05 West Clayton Avenue, St. Louis, Mo.

Roy Clement & Son, Salem, Mich.

Clougherty Packing Co., 3049 East Vernon Avenue, Los Angeles, Calif.

Clover Beef Co., 820 North Christian Street, Lancaster, Pa.

Clover Packing Co., Inc., 426 West 14th Street, New York, N. Y.

Wm. Coady & Co., 211 North Green Street, Chicago, Ill.

Coast Packing Co., 3275 East Vernon Avenue, Los Angeles, Calif.

Coffeyville Packing Co., Inc., Coffeyville, Kans.

Jacob Cohen Beef Co., Inc., 14 Brighton Abattoir, Brighton, Mass.

Louis Cohen, 159 East Main Street, Newark, N. J.

Cohen's Famous Knishes, 631 Frelinghuysen Avenue, Newark, N. J.

Sam Cohen, 9435 Peterson, Detroit, Mich.

Colfax Packing Co., 34 Colfax Street, Pawtucket, R. I.

College Inn Food Products Co., 4301 South Ashland Avenue, Chicago, Ill.

Colonial Beef Co., 409 North Franklin Street and 303 Callowhill Street, Philadelphia, Pa.

Colonial Corned Beef Co., 137 South Water Market, Chicago, Ill.

Colonial Packing Co., Northwest 13th Street, Boca Raton, Fla.

Colonial Provision Co., Inc., 1100 Massachusetts Avenue, Boston, Mass.

Colorado Packing Co., Inc., LaJunta, Colo.

Columbia Corned Beef Co. and Columbia Packing Co., 1233-37 George Street, Chicago, Ill.

Columbia Packing, 155 Southhampton Street, Boston, Mass.

Columbia Packing Co., 2807 East 11th Street, Dallas, Tex.

Commercial Beef Co., 124 Newmarket Square, Boston, Mass.

Commercial Packing Co., Inc., 3811 South Soto Street, Los Angeles, Calif.

Community Cold Storage, Torrington, Wyo.

Concord Dressed Beef & Veal Co., 45 Concord Street, Pawtucket, R. I.

Cones Market & Cold Storage, 109 East Main, Grangeville, Idaho.

Connecticut Packing Co., Bloomfield, Conn.

Consolidated Dressed Beef Co., Inc., Grays Ferry Avenue and 36th Street, Philadelphia, Pa.

Consolidated Packing Co., Inc., 132 Newmarket Square, Boston, Mass.

Consolidated Rendering Co., 178 Atlantic Avenue, Boston, Mass.

B. Constantino & Sons Co., East Taintor Lane, Rural Route 5, Springfield, Ill.

P. Conti & Sons, Inc., Henrietta, N. Y.

Continental Packing Co., 630 Fifth Avenue, New York, N. Y.

Continental Sausage Co., 540 Dartmouth Street, South Dartmouth, Mass.

Cook Packing Plant, Post Office Box 763, Concord, N. C.

Cook's Foods, Inc., 1223 South Atherton Street, State College, Pa.

Corley Packing Co., Copley, Ohio.

Cornell Provision Co., 1411-1413 West Chicago Avenue, Chicago, Ill.

Cornhusker Packing Co., 4436 Dahlman Boulevard, Omaha, Nebr.

J. Lynn Cornwell, Inc., Purcellville, Va.

Ed. K. Corrigan & Son Meat Packers, 607 15th Avenue, Council Bluffs, Iowa.

Corsair Packing Co., 74 Concord Street, Pawtucket, R. I.

Corte & Co., 414 Hoboken Avenue, Jersey City, N. J.

Crawford Packing Co., 717 North San Jacinto Street, Houston, Tex.

Crayton's Products, Inc., 2746 East 53d Street, Cleveland, Ohio.

Creaghe Packing Co., Lamar, Colo.

C. & M. Creitz Co., Newton Hamilton, Pa.

James Crixci, Route 4, New Castle, Pa.

Cross Bros. Meat Packers, Inc., 3600 North Front St., Philadelphia, Pa.

Howard E. Crossan, Marshallton, Del.

The Crosse & Blackwell Co., 6801 Eastern Avenue, Baltimore, Md.

Crowgey Sausage Co., Kellysville, W. Va.

Crown Packing Co., 88 Newmarket Square, Boston, Mass.

Crown Packing Co., 1561 Adelaide Street, Detroit, Mich.

Crown Pork Products, 11208 Avalon Boulevard, Los Angeles, Calif.

Cudahy Brothers Co., Milwaukee County, Cudahy, Wis.

Cudahy Packing Co., Union Stock Yards, Omaha, Nebr.

Cudney & Co., 400 North Orleans Street, Chicago, Ill.

Cuellar Foods, Inc., 162 Leslie Street, Dallas, Tex.

Curtis Packing Co., P. O. Drawer 1470, Greensboro, N. C.

Cushing Packing & Provision Co., Cushing, Okla.

Cushman Food Co., 700 Block Williamsburg Street, Aiken, S. C.

Custom Meat Packing Co., 515 East 45th Street, Boise, Idaho.

Custom Packing Co., Inc., 1015 Street Patrick, Rapid City, S. Dak.

Custom Packing Co., Box 721, Twin Falls, Idaho.

Cuyamaca Meats, 1200 West Main Street, El Cajon, Calif.

D. & W. Packing Co., South State Line, Texarkana, Tex.

John R. Daily, Inc., 115-119 West Front Street, Missoula, Mont.

Dakota Packing Co., Stockyards, Jamestown, N. Dak.

Dallas City Packing Co., Morrell Road, Route 2, Box 806, Dallas, Tex.

A. F. Damaske, 1694 South Pearl Street, Milwaukee, Wis.

The Danahy Packing Co., 25 Metcalfe Street, Buffalo, N. Y.

Daniel Bros., Inc., Columbia City, Ind.

Danville Meat Supply, Inc., 546 Craghead Street, Danville, Va.

Davenport Packing Co., Inc., Milan, Ill.

Davidowitz Kosher Provision Co., 123 Walton Street, Brooklyn, N. Y.

David Meat Co., P. O. Box 154, Santa Clara, Calif.

David Davies, Inc., 616 West Mound Street, Columbus, Ohio.

The William Davies Co., 41st Street and Union Avenue, Chicago, Ill.

Edward Davis, Inc., 420 West 14th Street, New York, N. Y.

Davis Meat Co., Box 2836, Boise, Idaho.

The Daw Packing Co., Inc., 180 Oak Street, New Haven, Conn.

Dawson-Spatz Packing Co., Inc., 1227 Lexington Road, Louisville, Ky.

The Dayton Packing Co., 46 Rappee Avenue, Dayton, Ohio.

George Dealman, Mt. View Road, Warren Township, Plainfield, N. J.

Dean Pack and/or Sioux Locker Co., West Main, Vermillion, S. Dak.

Dearborn Meat Co., 2035 West Pershing Road, Chicago, Ill.

Val Decker Packing Co., 727 East Ash Street, Piqua, Ohio

Decker & Son, 1500 Arch Street, Colorado Springs, Colo.

Dedeaux Packing Co., Route 2, Box 297, Gulfport, Miss.

Earl Dehn, Route 1, Amherst, Ohio.

Herman Delle, Inc., 82-86 Jackson Street, Hoboken, N. J.

Del Monte Meat Co., 303 Southeast Oak Street, Portland, Oreg.

Delano Packing Co., Delano, Minn.

Del Ray Packing Co., 9374 Copeland Avenue, Detroit, Mich.

Delaware Packing Co., Route 3, Delaware, Ohio

Delaware Packing Co., 205 Bloomsbury Street, Trenton, N. J.

Delfrate Packing Co., Box 276, Slovan, Pa.

Delta Packing Co., 1019 Fourth Street, Clarksdale, Miss.

E. Demakes & Co., Inc., 37 Waterhill Street, Lynn, Mass.

Deming Packing Co., Deming, N. Mex.

Denholm Packing Co., 6670 Transit Way, Pittsburgh, Pa.

The Denver Tamale & Supply Co., Inc., 1050 10th Street, Denver, Colo.

Denver Wholesale Meat Co., 2701-06 West Colfax Avenue, Denver, Colo.

Wm. H. Deruff & Co., 1246 Hargest Lane, Baltimore, Md.

De Schepper Packing Co., Knoxville Road, R. R. No. 1, Milan, Ill.

Des Moines Packing Co., 1700 Maury Street, Des Moines, Iowa.

Detroit Packing Co., 1120 Springwells Avenue, Detroit, Mich.

Detroit Veal & Lamb, Inc., 1540 Division Street, Detroit, Mich.

Detwiler's Abattoir, Road 2, Pottstown, Pa.

Dewig Bros., Haubstadt, Ind.

Diamond F. Meat Co., Inc., 1336 Commerce Street, Tacoma Wash.

A. Di Cillo & Sons, Inc., Route No. 322, Mayfield Road, Chesterland, Ohio.

Dickinson & Co., Post Office Box 755, Lafayette, Ind.

Dietz & Watson, Inc., 115 Vine Street, Philadelphia, Pa.

Edward Dillon, Wyoming, N. Y.

Gaetano Di Pascale Sons, 920 South 9th Street, Philadelphia, Pa.

Frank Di Pietro, 902 South 9th Street, Philadelphia, Pa.

Ditzler Bros., 28 Wood Street, Pine Grove, Pa.

Division Packing Co., 1566 Division Street, Detroit, Mich.

Dixie Frozen Foods, Inc., 15 Waddell Street NE., Atlanta, Ga.

Dixie Packing Co., Inc., 221 Mehle Avenue, Arabi, La.

Dixon Packing Co., 106-110 Milam Street, Houston, Tex.

Harry Dobrowsky, 2966 Cortland Street, Detroit, Mich.

Joe Doctorman & Son, Inc., 2900 South 2d West, Salt Lake City, Utah.

Doehne Provision Co., Box 53, Clarkwood, Texas.

Fred Dold & Sons Packing Co., 421 21st Street, Wichita, Kans.

Donelson Packing Co., 366 Frederick Street, Carey, Ohio.

Donner Commission Co., 1915 West Canal Street, Milwaukee, Wis.

Dorset Foods, Ltd., 44-02 23d Street, Long Island City, N. Y.

Dreher Packing Co., Inc., Broad River Road, Columbia, S. C.

Paul Dressler, 1230 Wyoming Avenue, Exeter, Pa.

Drummond Meat Co., 116 West Water, Chillicothe, Ohio.

Dubuque Packing Co., 16th and Sycamore Streets, Dubuque, Iowa.

Duffy-Mott Co., Inc., 370 Lexington Avenue, New York, N. Y.

Dugdale Packing Co., 11th & Bell, St. Joseph, Mo.

Dukeland Packing Co., Inc., 1050-60 South Dukeland Street, Baltimore, Md.

Dunn-Ostertag Packing Co., 800 East 21st Street, Wichita, Kans.

Du Quoin Packing Co., Du Quoin, Ill.

Durham Meat Co., Inc., Mariposa & Villa Street, Mountain View, Calif.

Durkee Famous Food, Inc., 3702 Iron Street, Chicago, Ill.

Ernest Dutcher, 207 Cottage Street, White-water, Wis.

Dwares Provision Co., 58 Washington Street, Pawtucket, R. I.

Dykstra Bros., Route 5, 128 Cummings Avenue, Grand Rapids, Mich.

Joe Dzapo, Route 1, Box 381, Brookfield, Ohio.

Eagle Brand Products, Inc., 122 Jane Street, New York, N. Y.

Eagle Packing Co., 4402 South 35th Street, Omaha, Nebr.

East Carson Packing Co., East Carson Street, Hays, Pa.

East Tennessee Packing Co., 200 Jones Street, Knoxville, Tenn.

Eastern Boneless Beef Co., 724 Callowhill Street, Philadelphia, Pa.

Eastern Market Pork Products Co., 10023 West Fort Street, Detroit, Mich.

Eastern Oregon Meat Co., Inc., Baker, Ore.

Eastern Packing Co., Inc., 1215½ Silver Lane, East Hartford, Conn.

Eastern Packing Co., Inc., 416 East Linden Avenue, Linden, N. J.

The Eastern Shore Provision Co., Lewes, Del.

Eatwell Provisions, Inc., 646 Bergen Avenue, New York, N. Y.

Ebner Bros. Packers, 100 Walnut Street, Wichita Falls, Tex.

E. Eckert, Inc., 1817 John Street, Cincinnati, Ohio.

The Eckert Packing Co., Route 7, Defiance, Ohio.

Economy Meat Market, 92 Prince Street, Boston, Mass.

Edmond's Chile Co., Inc., 3236 Oregon Avenue, St. Louis, Mo.

Lee Edson, Hudsonville, Mich.

Edwin Beef Co., 5140 Edwin Street, Hamtramck, Mich.

Elburn Packing Co. of Illinois, 309 West Nebraska Street, Elburn, Ill.

Eldridge Packing Co., 28 North Second Street, Kansas City, Kans.

Eldridge Packing Co., Post Office Box 874, La Grande, Ore.

Merlin Eliason, 219 North Fourth West, Logan, Utah.

Elizabethville Abattoir, Elizabethville, Pa.

Elk Grove Meat Co., Elk Grove, Calif.

Elkhart Packing Co., Box 304, Elkhart, Ind.

Elliott Packing Co., Post Office Box 458, Duluth, Minn.

Ellis Canning Co., 1575 Alcott Street, Denver, Colo.

Elm Grove Packing Co., 529 Mine Street, Elm Grove, W. Va.

Emge Packing Co., Fort Branch, Ind.

Emmart Food Products, Co., 4701 South Christiana Avenue, Chicago, Ill.

Emmart Packing Co., 1202 Story Avenue, Louisville, Ky.

Emmert Meat Co., West Fourth Street, Emmett, Idaho.

Emmite Meat Co., Inc., Post Office Box 2547, 4821 Calhoun, Houston, Tex.

Empire Packing Corp., 74 Concord Street, Pawtucket, R. I.

Emporia Packing Co., Rural Route 4, Emporia, Kans.

Engelberg Packing Co., 1186 Riverside, Memphis, Tenn.

John Engelhorn & Sons., 17-27 Avenue L, Newark, N. J.

Engelhorn Packing Co., 2011 Eighth Street, North Bergen, N. J.

H. R. Englebeck & Sons, Rural Free Delivery 1, Port Clinton, Ohio.

Enid Packing Co., 2424 North Madison Street, Enid, Okla.

T. E. Epperson & Co., Charleston, Tenn.

David Epstein Co., 83 Newmarket Square, Boston, Mass.

Eremic's Provisions, 54 Valley Street, Box 193, Pitcairn, Pa.

G. Erhardt's Sons, Inc., 545 Poplar Street, Cincinnati, Ohio.

Essem Packing Co., 101 Beacon Street, Lawrence, Mass.

Robert L. Estes, Baird, Tex.

Estes Bros. Packing Co., 506 Northeast 37th Street, Box 4561, Fort Worth, Tex.

E-TEX Packing Co., Post Office Drawer 152, Mount Pleasant, Tex.

Eugster's Market, 2201 30th Street, Southwest Birmingham, Ala.

European Kosher Provision Mfg., Co., 6 Spring Street, Baltimore, Md.

The Evans Packing Co., Inc., Box 301, Calipolis, Ohio.

Evergood Meat Co., Inc., 610 Bergen Avenue, Bronx, N. Y.

Excel Packing Co., 900 East 21st Street, Wichita, Kans.

Excelsior Quick Frosted Meat Products, Inc., 128 Sheriff Street, New York, N. Y.

Eyerman & Co., 147 Hanford Street, Columbus, Ohio.

F K & Son, Inc., 15-17 Spencer Street, Buffalo, N. Y.

The Fairmont Provision Co., 735 South Willow Avenue, Alliance, Ohio.

Fairway Packing Corp., 216-218 Walton Street, Syracuse, N. Y.

Falk Bros., 511 St Joseph Street, Lancaster, Pa.

Herman Falter Packing Co., 378 Greenlawn Avenue, Columbus, Ohio.

Famous Foods, Inc., 1121 Pryor Street SW, Atlanta, Ga.

Famous Packing Corp., 122 Junius Street, Brooklyn, N. Y.

The Fanestil Packing Co., Inc., Route 4, Emporia, Kans.

Farmer Pete Packing Co., 715 Santa Fe Drive, Denver, Colo.

Farnsworth Packing Co., 1487 Farnsworth, Detroit, Mich.

Farris & Co., 2116 West Beaver Street, Post Office Box 1553, Jacksonville, Fla.

Angelo Favazza, 1167 South Ninth Street, Philadelphia, Pa.

M. Feder & Co., 948 North Front Street, Allentown, Pa.

Federal Beef Co., 180 Atlantic Avenue, Boston, Mass.

Federal Meat Co., 1614 Puyallup Avenue, Post Office Box 1113, Tacoma, Wash.

Federal Packing Co., Post Office Box 750, Everett, Wash.

Chas. J. Fehl Co., Blooming Glen, Pa.

Feinberg Kosher Sausage Co., 809-811 Lyndale Avenue North, Minneapolis, Minn.

Feldman Bros., 2472 Riopelle Street, Detroit, Mich.

Feller Packing Co., Rural Free Deliver 2, Clearfield, Utah.

F. A. Ferris & Co., Inc., Brooklyn, N. Y.

Ferry Bros., Inc., Ferndale, Wash.

Fidel Bros. Packing Co., Unionville, Ohio.

Field Packing Co., Inc., Post Office Box 493, Owensboro, Ky.

Fiesta Meat Co., 3533 Evans Avenue, St. Louis, Mo.

Pigge & Hutwelker Co., 621-635 West 40th Street, New York, N. Y.

Filler Products, Inc., 715 Highland Avenue, Atlanta, Ga.

Fineberg Packing Co., 2875 Starling, Memphis, Tenn.

The Fink & Heine Co., Bechtle Avenue and D T & I R R, Springfield, Ohio.

C. Finkbeiner Inc., 900 High Street, Little Rock, Ark.

Fischer Packing Co., Box 182, Issaquah, Wash.

Henry Fischer Packing Co., Inc., 1860 Mellwood Avenue, Louisville, Ky.

Fischer & Fischer, 117 Washington Street West, Charleston W. Va.

E. L. Fisher, Post Office Box 506, Baytown, Tex.

Fisher Bros., 71 South Pearl Street, Bridgeton, N. J.

Flanery Sausage Co., Milbank, S. Dak.

Flechner Bros. Packing Co., Inc., 435 North Countyline Street, Fostoria, Ohio.

Fleischaker Co., 1911 Frankfort Avenue, Louisville, Ky.

Philip Fleischer, Inc., 777 Washington Street, New York, N. Y.

L. W. & C. W. Fletcher, Inc., Lenoir City, Tenn.

Fletcher Wholesale Meats, 628 North Minnesota Street, Pratt, Kans.

Earl Flick Dressed Beef, Clackamas, Ore.

Flicker Packing Co., South 12th Avenue, Scottsbluff, Nebr.

Fred W. Flockerzi, 14 Chestnut Street, Lawrence, Mass.

Florence Packing Co., Inc., Route 1, East Stanwood, Wash.

Florida Chip Steak Co., Inc., 4410 West South Street, Tampa, Fla.

Fluffs, Inc., 2005 Wall Street, Dallas, Tex.

Fluke, Inc., Cleveland Road, Ashland, Ohio.

The William Focke's Sons Co., 1712 Springfield Street, Dayton, Ohio.

Finley Packing Plant, McConnellsville, Ohio.

The Finest Provisions Company of Springfield, 190 Chestnut Street, Springfield, Mass.

Foell Packing Co., 3117-23 West 47th Street, Chicago, Ill.

Jacob Folger Packing Co., 500 Phillips Avenue, Toledo, Ohio.

Foo Lung Co., 112 East Washington Street, Stockton, Calif.

Ford Packing Co., Grand Island, Nebr.

Foremost Packing Co., 1164 13th Avenue, East Moline, Ill.

Formost Kosher Sausage Co., 517 South 4th Street, Philadelphia, Pa.

Forst Packing Co., Inc., 100-144 Abeel Street, Kingston, N. Y.

Fort Bend Co. Abattoir, Box 385, Rosenberg, Tex.

Fort Dodge Packing Co., Inc., Box 488, Fort Dodge, Iowa.

Fort Plain Packing Co., 201 Main Street, Fort Plain, N. Y.

Fort Scott Packing Co., 1005 Shute Street, Fort Scott, Kans.

Foster Beef Co., 409 Elm St., Manchester, N. H.

B. V. Fox Wholesale Meats, 4821 Calhoun Road, Houston, Tex.

J. Austin Fraley, Thurmont, Md.

Frank & Schrader, R. F. D. 3, Cuba, N. Y.

Frankel Meat Co., Union Stock Yards, Cincinnati, O.

Franklin Provision Co., 222 Callowhill Street, Philadelphia, Pa.

B. Franza, 901 W. Travis, San Antonio, Tex.

Fraser Wholesale Meats, 6 E Street NE., Ardmore, Okla.

Frederick County Products, Inc., Post Office Box 218, Frederick, Md.

Frederick Meat Co., East Balsom, Frederick, Okla.

Frederick Packing Co., 5300 Riopelle Street, Detroit, Mich.

Freeburg Packing Co., Freeburg, Ill.

Freeman Bros. Packing Co., 4905 Calhoun Road, Houston, Tex.

French Bros. Beef Co., Inc., Hooksett, N. H.

French Steak Co., 1285 Main St., Swoyerville, Pa.

I. A. Frey & Sons, Inc., 3925 Burgundy Street, New Orleans, La.

Fried & Reinman Packing Co., 2100 East Ohio Street, Box 6769, Pittsburgh, Pa.

Morris Friedman, 2917 N. E. Stanton Street, Portland, Ore.

Friedman & Belack, Inc., 634 Washington Avenue, Philadelphia, Pa.

Frigid Packing Co., 144 Black Horse Pike, W. Collingswood Heights, N. J.

- Frigldlnners, Inc., 1933-35 Reed Street, Philadelphia, Pa.
- Frigldmeats, Inc., 3755 S. Racine, Chicago, Ill.
- Frisco Packing Co., 544 S. Walnut Street, Oklahoma City, Okla.
- Frontier Packing Co., Post Office Box 922, Broadway SE, Albuquerque, N. Mex.
- Frosty Morn Meats, Frosty Morn Avenue, Post Office Box 391, Clarksville, Tenn.
- Frosty Morn Meats, Inc., 1498 Furnace Street, Montgomery, Ala.
- Frozen Meat Packers, Inc., 845 N. W. 71st Street, Miami, Fla.
- Fryer & Stillman, Inc., 53d & Franklin, Denver, Colo.
- Fulton Beef and Provision Co., 511 Newark Street, Hoboken, N. J.
- Furr's, Inc., Box 838, Lubbock, Tex.
- G. & C. Packing Co., 240 South 21st Street, Colorado Springs, Colo.
- Eugene Gaboury, Jr., R. F. D. 2, St. Albans, Vt.
- Galat Packing Co., 1472 Kenmore Boulevard, Akron, Ohio.
- Galligan Meat Co., 1220 35th Street, Denver, Colo.
- S. W. Gall's Sons, 2119-2125 Freeman Avenue, Cincinnati, O.
- Gambord Meat Co., Post Office Box 697, San Jose, Calif.
- Garos Packing Co., Hooksett, N. H.
- Gartner-Harf Co., 25 East 12th Street, Erie, Pa.
- W. A. Gay & Co., Iowa City, Iowa.
- Gebhardt Chill Powder Co., 112 South Frio Street, San Antonio, Tex.
- Isaac Gellis, Inc., 37 Essex Street, New York, N. Y.
- Albert Gemmen, Box 57, Allendale, Mich.
- Genoa Packing Co., 221 Monsignor O'Brien Highway, East Cambridge, Mass.
- Gentner Packing Co., Inc., West Roosevelt Road, South Bend, Ind.
- Gerber Products Co., 460 Buffalo Road, Rochester, N. Y.
- Gerber Products Co., Fremont, Mich.
- George C. Gerber, Road 1, Dalton, Ohio.
- Max Gorman, 3836 Aldine Avenue, St. Louis, Mo.
- Gerstenslager Meats, Inc., 336 North Market Street, Wooster, Ohio.
- Gerson Packing Co., 2535 East Vernon Avenue, Los Angeles, Calif.
- Giant Distributing Co., 913 West Street, Oakland, Calif.
- Earl C. Gibbs, Inc., 3378 West 65th Street, Cleveland, Ohio.
- John A. Gibbs, Bradford, Vt.
- James B. Gilbert, 1110 Maryland Avenue SW., Washington, D. C.
- K. C. Giles Co., 3183 West 65th Street, Cleveland, Ohio.
- Gino Corp., Boston Post Road, Milford, Conn.
- Girard Packing Co., 10-18 North Delaware Avenue, Philadelphia, Pa.
- Gissell Packing Co., Inc., 1501 Jefferson Avenue, Huntington, W. Va.
- Giuliano's Spaghetti Sauce Co., Inc., 250 Valley Street, Providence, R. I.
- Giunta & D'Agostino, 901 Christlan Street, Philadelphia, Pa.
- Joseph L. Giunta & Sons, 927 South Ninth Street, Philadelphia, Pa.
- Glaser's Provisions Co., Inc., 5036 South 26th Street, Omaha, Nebr.
- Glick Brothers, Mt. Pleasant, Pa.
- Globe Packing Co., 11200 Kewen Street, San Fernando, Calif.
- Globe Products Co., 5300 Emerson Street, Denver, Colo.
- Glover Packing Co., Box 6609, Roswell, N. Mex.
- Goebel Packing Co., 93 Holt Street, Buffalo, N. Y.
- Albert F. Goetze, Inc., Post Office Box 1017, Baltimore, Md.
- M M Goff & Sons Co., Inc., 118 West State Street, Pendleton, Ind.
- Gold Medal Packing Corp., 614 Broad, Utica, N. Y.
- H. S. Golde Packing Co., Inc., 193 Fillmore Avenue, Tonawanda, N. Y.
- Goldberg Bros., 111 North Harrison Street, Wilmington, Del.
- Goldberg, Boyarsky & Steirn, 655 Riverslde Avenue, Burlington, Vt.
- Goldis & Cross, Inc., 325 Callowhill Street, Philadelphia, Pa.
- Goldring Packing Co., Inc., 3461 East Vernon Avenue, Los Angeles, Calif.
- Gold Merit Packing Co., Inc., Post Office Box 4516, Jacksonville, Fla.
- Gold Ribbon Fresh Frosted Meats, Inc., Post Office Box 112, Middletown, Pa.
- H. Graver Co., 3813 Morgan Street, Chicago, Ill.
- Angelo Grasso, 318 Meadow Street, Agawam, Mass.
- A. Golin Wholesale Meats, 400 Delaware Avenue, Philadelphia, Pa.
- Gooch Packing Co., Eighth and Almond Streets, Abilene, Tex.
- M. Goodman Sons, 2712 Blodgett Street, Houston, Tex.
- Goodnight County Sausage, Route 3, Lubbock, Tex.
- Jack Goose & Co., 3219 Michigan Avenue, Detroit, Mich.
- Goren Packing Co., Inc., 39 Commercial Street, Boston, Mass.
- Goshen Packing Co., R. D. No. 1, Middletown, N. Y.
- Daniel A. Gottlieb & Son., Inc., 416 Mount Vernon Street, Camden, N. J.
- James P. Gourley, R. D. No. 1, New Bethlehem, Pa.
- Grade A Meat Co., 1005 Washington Avenue, Houston, Tex.
- Grady Packing Co., Inc., Calro, Ga.
- Grandview Packing Co., Grandview, Wash.
- Granite Meat & Livestock Co., 500 East 56th Street South, Murray, Utah.
- Granite State Packing Co., 163 Hancock, Manchester, N. H.
- R. D. Graves Co., Westwood Drive, Strongsville, Ohio.
- Graves Sausage Co., Route 1, Antioch, Tenn.
- J. J. Gravins, Sixth Street Market, Richmond, Va.
- Grays Harbor Meat Co., Inc., Foot of Washington Avenue, Hoquiam, Wash.
- The Great Falls Meat Co., Post Office Box 1526, Great Falls, Mont.
- Great Western Beef Co., 4044 South Halsted Street, Chicago, Ill.
- Great Western Packing Co., Inc., 3377 East Vernon Avenue, Los Angeles, Calif.
- Greater New York Packing, Inc., 525 11th Avenue, New York, N. Y.
- Greater Omaha Packing Co., 5102 South 26th Street, Omaha, Nebr.
- C. E. Greenawalt Sons, Mountville, Pa.
- Greendell Packing Corp., Prattsville, N. Y.
- Green Hill, Inc., United States Route 11, Elliston, Va.
- Greenlee Packing Co., Inc., West Highway 16, Sioux Falls, S. Dak.
- The Greensboro Packing Co., Inc., Greensboro, Ala.
- Greenville Packing Co., S. S. Norfolk S. R. R., Greenville, N. C.
- Greenwood Packing Plant, Greenwood, S. C.
- Greisler Bros., Inc., 230-232 North Delaware Avenue, Philadelphia, Pa.
- Sol Greisler & Sons, Inc., 32 North Delaware Avenue, Philadelphia, Pa.
- Gruensfelder Packing Co., 3914 North 25th Street, St. Louis, Mo.
- David H. Griffith, Cushing, Okla.
- Grote Meat Co., 4124 West Natural Bridge Road, St. Louis, Mo.
- Arthur J. Guillot, Inc., 339 Charbonnet Street, New Orleans, La.
- Guillette & Co., 23 Blodgett Street (rear) Post Office Box 447, Manchester, N. H.
- Gunsberg Beef Co., 6800 Dix Avenue, Detroit, Mich.
- Gustine Meat Co., Box 261, Gustine, Calif.
- Gusto Ravioli Co., 653 Ninth Avenue, New York, N. Y.
- P. D. Gwaltney, Jr. & Co., Inc., Smlthfield, Va.
- H. & H. Packing Co., Route 7, Yakima, Wash.
- Chas. Haag, Inc., 497 Observer Highway, Hoboken, N. J.
- Haas-Davis Packing Co., Inc., Post Office Box 277, Mobile, Ala.
- Habbersett Bros., Media, Pa.
- Phillip H. Haha Co. & Specialty Meat Products, 179 Grafton Street, Worcester, Mass.
- Edward Hahn Packing Co., Hickory Street & B. & O. R. R., Johnstown, Pa.
- Haibach Bros., 501 East 19th Street, Erie, Pa.
- Haldas Bros., Inc., 501-507 King Street, Wilmington, Del.
- Haley Canning Co., 560 South Fourth Avenue, Hillsboro, Ore.
- Hall Bros., Inc., Cook Road, North Olmsted, Ohio.
- Halpern Packing Corp., 88 Worcester Road, Framingham, Mass.
- Halstead Packing Co., Fairview, Okla.
- Halsted Packing House, 736 South Halsted Street, Chicago, Ill.
- Hammer Provision Co., 300 Rivos Street, San Antonio, Tex.
- Hammond, Standish & Co., 2101 Twentieth Street, Detroit, Mich.
- Hampden Beef Co., Inc., 203 Liberty Street, Springfield, Mass.
- Hampshire Cash Market, Hampshire, Ill.
- George Hanas, R. S. 1, Route 481, Daisytown, Pa.
- H. A. Hancock, Acree, Ga.
- Handschumacher & Co., Inc., 48 North Street, Boston, Mass.
- Edward Hans, 38 Holt Street, Buffalo, N. Y.
- Harding Packing Co., Inc., 1450 Troy Avenue, Indianapolis, Ind.
- John P. Harding Market Co., 728 West Madison Street, Chicago, Ill.
- Hark Beef Co., 24 North Street, Boston, Mass.
- Harkel Wholesale Meats, 3451 Frankford Avenue, Philadelphia, Pa.
- W. I. Harman & Son, Saluda, S. C.
- Harman Packing Co., 3305 East Vernon Avenue, Los Angeles, Calif.
- Trae V. Harper, 9th West 6th North, Brigham City, Utah.
- Joel E. Harrell & Son, Inc., Post Office Box 115, Suffolk, Va.
- Harris Meat & Produce Co., 1 North Western, Oklahoma City, Okla.
- Sam Harris Packing Co., 802 Covington Street, Crawfordsville, Ind.
- Hartford Provision Co., Inc., 302 Pleasant Street, Hartford, Conn.
- Hartman's, R. D. No. 3, Nazareth, Pa.
- Harvin Packing Co., Inc., Green Swamp Road, Sumter, S. C.
- Hately Brothers Co., 1341 West 37th Street, Chicago, Ill.
- Hatfield Packing Co., Hatfield, Pa.
- Sam Hausman, Alameda & Mussett, Corpus Christi, Tex.
- Hawley Meat Pack, Vale, Ore.
- G. E. Hawthorn, Route 2, Hot Springs, Ark.
- Bert Hazekamp & Sons, 954 Evanston, Muskegon, Mich.
- The Hebrew National Kosher Sausage Co., Inc., 155 East Broadway, New York, N. Y.
- Hebron Packing Co., Inc., Route 173, Box 486, Hebron, Ill.
- Bernard Hecht & Sons, Inc., 17 South Front Street, Baltimore, Md.
- Philip Hedderel, 4112 Clematis Street, New Orleans, La.
- Heierding Bros., 35 Harrison Avenue, Oklahoma City, Okla.
- Henry Hell, 3624 Falls Road, Baltimore, Md.
- Hell Packing Co., 2216 La Salle Street, St. Louis, Mo.
- H. Heilbrunn Co., 501 Newark Street, Hoboken, N. J.
- Heim Bros. Wholesale Meat Co., 1707 West 11th Street, Little Rock, Ark.
- Heim & Thompson Packing Co., 4905 Calhoun Road, Houston, Tex.

H. T. Heinz, Inc., 135 South Warwick Avenue, Baltimore, Md.
 Heinz's Riverside Abattoir, Inc., 1900-22 Light Street, Baltimore, Md.
 Henderson's Portion Pak, Inc., 4015 Laguna Street, Coral Gables, Fla.
 J. Henriques & Son, 113 Gano Street, Providence, R. I.
 James Henry Packing Co., 2025 Airport Way, Seattle, Wash.
 Mark Herbst, Inc., 222 Frelinghuysen Avenue, Newark, N. J.
 Herman Sausage Co., Inc., Post Office Box 1651, Tampa, Fla.
 C. Herrmann & Sons, 2640 Gallia Street, Portsmouth, Ohio.
 Herrod Packing Co., Joplin, Mo.
 Hersch Packing Co., South Avenue B, Box 962, Scottsbluff, Nebr.
 C. Hertel Co., 220 Raphael Avenue, Syracuse, N. Y.
 Hervitz Packing Co., 1146 South Cameron, Harrisburg, Pa.
 Heublein, Inc., 330 New Park Avenue, Hartford, Conn.
 Ed Heuck Co., 530 Clay Street, San Francisco, Calif.
 Hickory Packing Co., Inc., Box 653, Hickory, N. C.
 High Grade Packing Co., Inc., 2627 Avenue D, Galveston, Tex.
 John Hilberg & Sons Co., 525 Poplar Street, Cincinnati, Ohio.
 H. G. Hill Co., 500 2d Avenue North, Nashville, Tenn.
 Hill-N-Dale Farm Meat Co., Post Office Box 61, Downingtown, Pa.
 Hill Packing Co., Post Office Box 117, Esterville, Iowa.
 Hill Packing Co., Post Office Box 148, Topeka, Kans.
 Hill Top Packing Co., Rural Route 1, Huntingburg, Ind.
 Hilleman's Packing Plant, 813 Union Street, Marshalltown, Iowa.
 Hines Packing Co., 5213 South 50th Avenue, Omaha, Nebr.
 Samuel W. Hippey, R. F. D. No. 1, Willow Street, Pa.
 Hirsch Brothers & Co. (Inc.), 14th and Cedar Streets, Louisville, Ky.
 Hitch Packing Co., Princeton, Ind.
 Phil J. Hock & Co., 2123 Ailanthus Street, Cincinnati, Ohio.
 Hodge Chile Co., 2310 Sidney Street, St. Louis, Mo.
 Hoerter & Son, 2011 Frankfort Avenue, Louisville, Ky.
 Hoffman Bros. Packing Co., Inc., 2731 South Soto Street, Los Angeles, Calif.
 George Hoffman Packing Co., 4702 South 27th Street, Omaha, Nebr.
 Roy L. Hoffman & Son, Route 4, Hagerstown, Md.
 Hogansville Food Packers, Post Office Box 173, Hogansville, Ga.
 E. V. Hohener, 2500 Davis Street, San Leandro, Calif.
 Holiday Frosted Food Co., 150 Laurel Street, Philadelphia, Pa.
 Holland Supply Co., Holland, Va.
 Grover D. Holland, 5305 Summit Avenue, Fort Smith, Ark.
 Charles Hollenbach, Inc., 2653 Ogden Avenue, Chicago, Ill.
 G. Hollenbach, 1100 West Marquette Road, Chicago, Ill.
 J. Lloyd Hollinger, 814 Sixth Street, Lancaster, Pa.
 Hollinger Meat Products, Inc., Post Office Box 86, Mechanicsburg, Pa.
 Hollstein's Packing Co., Rushville, Nebr.
 Holly Meat Packing Co., 2736 Magnolia Street, Oakland, Calif.
 Walter Holm & Co., 827 Grand Avenue, Nogales, Ariz.
 Holt Packing Co., Holt, Mich.
 P. E. Holz Sons Co., Box 2666, Charleston, W. Va.
 Home Packing Co., First and Chestnut Streets, Terre Haute, Ind.

The Home Packing Co., Lagrange Street, Toledo, Ohio.
 Homestead Prov. & Packing Co., 321 Baldwin Street, Hays, Pa.
 Hoosier Veterinary Laboratories, Inc., Thorntown, Ind.
 Hopfman Bros. Inc., 525 Water Street, Clinton, Mass.
 Hopkins Packing Co., Blackfoot, Idaho.
 Hopkinson and Haigh, 857 East Russell Street, Philadelphia, Pa.
 H. C. Hoppe Co., Box 36, Oakwood, Wis.
 Everett C. Horlein & Son, 669 Howard Street, Buffalo, N. Y.
 George A. Hormel & Co., Austin, Minn.
 Joe Horovitz, c/o Dixon Packing Co., Calhoun Road, Houston, Tex.
 L. P. Horst, Jr., Route 89, Harrisburg, Pa.
 Geo. V. Hoskings Meat Packer, 2501 Cleveland Avenue, National City, Calif.
 E. B. Hostoffer, Mount Pleasant, Pa.
 Hot Shoppes, Inc., 1234 Upshur Street NW., Washington, D. C.
 Houlton Packing Co., Inc., Route 2, Abilene, Kans.
 House of Costa, Peaks Island, Portland, Maine.
 Houston Packing Co., 3301 Navigation Boulevard, Houston, Tex.
 Hubbard Packing Co., 1343 Hubbard Street, Chicago, Ill.
 Hubbell & Sons Packing Co., 114 Milam Street, Houston, Tex.
 Hudson Packing Co., Inc., 95 Central Avenue, Jersey City, N. J.
 H. M. Huffman, Route 1, Vandergrift, Pa.
 Hughes Packing Co., R. F. D. 1, Oberlin, Ohio.
 Hughes Sausage Co., Post Office Box 70, North Little Rock, Ark.
 Huler Beef Co., 4070 Deming Street, Detroit, Mich.
 The Hull & Dillon Packing Co., West 4th Street, Pittsburg, Kans.
 Humphrey-Mace Meat Co., North First Street, Dixon, Calif.
 The Humko Co., 1702 North Thomas Street, Memphis, Tenn.
 Chas. J. Hunn, 238 East Main Street, Chillicothe, Ohio.
 Hunt Potato Chip Co., 70 Lake Avenue, Worcester, Mass.
 Hunter Packing Co., Post Office Box 231, East St. Louis, Ill.
 Huntington Packing Co., Inc., Box 322, Huntington, Ind.
 H. Hurwitz, 328 Waverly Avenue, Newton, Mass.
 Hygrade Food Products Corp., 2811 Michigan Avenue, Detroit, Mich.
 Hy-Grade Meat Specialties Co., 4990 Jackson Street, Denver, Colo.
 Hy-Mark Kosher Meat Products Corp., 968 Longfellow Avenue, Bronx, New York.
 Hynes Packing Co., 16400 S. Downey Avenue, Paramount, Calif.
 Idaho Meat Packers Inc., Caldwell, Idaho.
 Idaho Packing Co., Box 549, Twin Falls, Idaho.
 Ideal Packing Co., Inc., 3095 East Vernon Avenue, Los Angeles, Calif.
 Illinois Meat Co., 3939 Wallace St., Chicago, Ill.
 Illinois Packing Co., 911-993 West 37th Place, Chicago, Ill.
 Imhof Packing Co., Inc., 227 Washington Street, New York, N. Y.
 Independent Dressed Beef Co., Post Office Box 1166, Morgantown, W. Va.
 Independent Meat Co., Inc., Post Office Box 430, Twin Falls, Idaho.
 Inland Products, Inc., Box 926, Columbus, Ohio.
 International Food Products Co., 4705 South Christiana Avenue, Chicago, Ill.
 Interstate Beef Co., 4 Commercial Street, Boston, Mass.
 Iowa Beef Co., Inc., 75 South Market Street, Boston, Mass.
 Irish & McBroom Packing Co., 300 Coburg Road, Eugene, Oreg.

J. & A. Meat Sales, 1200 Roosevelt Street, Stony Creek, Pa.
 Jackson Packing Co., 2520 South Gallatin Street, Jackson, Miss.
 Jackson Packing Co., Rosedale Avenue and G. M. & Co., Railroad, Jackson, Tenn.
 Jackson Packing Co., Inc., Marianna, Fla.
 Jacobs Packing Co., 1416 Adams Street, Nashville, Tenn.
 John Jacobsmuhlen, Route No. 2, Box 125, Cornelius, Oreg.
 M. Jacobson & Sons Co., Inc., 218 Southbridge Street, Auburn, Mass.
 Janert Bros. Wholesale Meats, 1000 West Raymond Street, Indianapolis, Ind.
 Jefferson Packing Co., 500 Observer Highway, Hoboken, N. J.
 Jiffy Steak Co., 1497-1499 Third Avenue, Freedom, Pa.
 Johann Packing Co., 17170 Mitchell Street, Detroit, Mich.
 Carl R. Johnson Wholesale Meats, 4115 South Westnedge Avenue, Kalamazoo, Mich.
 Howard Johnson's Inc., 97-13 218th Street, Queens Village, N. Y.
 Howard Johnson Inc., of Florida, 6901 Northwest 26th Avenue, Miami, Fla.
 J. G. Johnson, Inc., Arthur Avenue and Third Street, San Francisco, Calif.
 Johnson Food Co., 201 Lee Street, Post Office Box 665, Colorado Springs, Colo.
 Johnson Meat Products Co., Inc., Pocomoke City, Md.
 Johnstown Packing Co., Johnstown, Pa.
 Jones-Chambliss Co., Post Office Box 2399, Jacksonville, Fla.
 The Jones Dairy Farm, Fort Atkinson, Wis.
 Jones Packing Co., Box 767, Dodge City, Kans.
 Jones Packing Co., Second and Jackson Streets, Paducah, Ky.
 Jones Sausage Co., R. F. D. 2, Danville, Va.
 Jordan Meat & Livestock Co., 1225 West 33d South, Salt Lake City, Utah.
 Joseph Packing Co., Box 273, Connellsville, Pa.
 Gus Juengling & Son, Inc., 2869 Massachusetts Avenue, Cincinnati, Ohio.
 Juniata Packing Co., R. F. D. 2, Tyrone, Pa.
 K & B Packing Co., 4800 Washington Street, Denver, Colo.
 Kadish & Milman Beef Co., 138 Newmarket Square, Boston, Mass.
 The E. Kahn's Sons Co., 3241 Spring Grove Avenue, Cincinnati, Ohio.
 George Kaiser Packing Co., 81 North 1st Street, Kansas City, Kans.
 Kansas City Chip Steak Co., 1121 East 12th Street, Kansas City, Mo.
 Kansas City Dressed Beef Co., 77 South James Street, Kansas City, Kans.
 Kansas Packing Co., 822 Greenwich Street, New York, N. Y.
 Kansas Packing Co., 406 East 21st Street, Wichita, Kans.
 I. Kaplan, 218 Hull Avenue, Olyphant, Pa.
 Kappler Packing Co., 3356 Pontiac Road, Ann Arbor, Mich.
 Fred Karg, Box 5636, Kenton Station, Portland, Oreg.
 Wm. Karn & Sons, 922 Taylor Avenue, Columbus, Ohio.
 W. F. Kastelberg & Co., 15 North 17th Street, Richmond, Va.
 Kaufman Meat Co., 8th and Bayshore, San Jose, Calif.
 Kaw Valley Packing Co., Inc., 17 South James Street, Kansas City, Kans.
 Kay Packing Co., 17 North Louisiana, Houston, Tex.
 Kearns Packing Co., 228 Wayne Street, Mansfield, Ohio.
 Keck's Market, Second and Market, Richmond, Va.
 H. H. Keim Co., Box 690, Nampa, Idaho.
 Kelble Bros., Berlin Heights, Ohio.
 Keller Bros., St. Helena, Calif.
 Kelley Packing Co., 1089 Chehalis Avenue, Chehalis, Wash.

Thomas J. Kelly Beef Co., 30 Newmarket Square, Boston, Mass.

Kelly Foods Inc., Poplar Street, Jackson, Tenn.

Herman Kemper's Sons, Inc., 2124 Baymiller Street, Cincinnati, Ohio.

Kenmore Packing Co., Route 4, Box 294, Bothell, Wash.

Kenosha Packing Co., Inc., Post Office Box 509, Kenosha, Wis.

Kenton Packing Co., North Columbia Boulevard and Burrage, Post Office Box 5666, Kenton Station, Portland, Ore.

Kerber Packing Co., Post Office Box 78, Elgin, Ill.

Lee G. Kern and Son, 580 Main Street, Slatington, Pa.

John Kern and Son, 251 Commercial Street, Portland, Maine.

Kern Valley Packing Co., Post Office Box 1229, Bakersfield, Calif.

Kesslers, 705 Hummel Avenue, Lemoyne, Pa.

Killsheimer Bros., Inc., 1900 Bladensburg Road, NE., Washington, D. C.

King Steak Co., 3485 Janney Street, Philadelphia, Pa.

Kingan and Co., Inc., Maryland and Blackford Streets, Indianapolis, Ind.

King's Food Products, Inc., 5255 North Broadway, St. Louis, Mo.

Kingston Beef Corp., 12-18 Meadow Street, Post Office Box 701, Kingston, N. Y.

T. F. Kinnealey and Co., Inc., 20 Newmarket Square, Boston, Mass.

Harvey A. Kipp, Rural Free Delivery 1, Bethlehem, Pa.

Alvin Kirsh, 1010 West Cary, Richmond, Va.

I. Klayman and Co., 876 North 48th Street, Philadelphia, Pa.

Mathew F. Klein Co., 1016 Napoleon, Detroit, Mich.

F. A. Klein Provision Co., Box 14, Turtle Creek, Pa.

Klinck Brothers, 588 Howard Street, Buffalo, N. Y.

Klinck and Schaller Inc., 620 Babcock Street, Buffalo, N. Y.

Klubnikin Packing Co., 3425 East Vernon Avenue, Los Angeles, Calif.

Edw. J. Klueener, 12023 Bader Street, Cincinnati, Ohio.

Knauss Bros., Fulton Street, Poughkeepsie, N. Y.

E. W. Knauss and Son, Quakertown, Pa.

E. W. Kneip, Inc., 911 West Fulton Street, Chicago, Ill.

Knoxville Abattoir Co., North Central Avenue, Knoxville, Tenn.

Knudson Packing Co., West Oneida Street, Preston, Idaho.

Koch Beef Co., Inc., 248 North Adams, Louisville, Ky.

A. Koch's Sons, 2900 Sidney Avenue, Cincinnati, Ohio.

E. A. Kohl Packing Co., Inc., 1320 Ethan Avenue, Cincinnati, Ohio.

Chas. Koppenhaver, 556 North Second Street, Lykens, Pa.

Stanley Kornas, 4605 West 26th Avenue, Gary, Ind.

Korona Food Products, Inc., 2115-2117 Abbey Avenue, Cleveland, Ohio.

Kosher Zion Sausage Co., 163-167 South Water Market, Chicago, Ill.

Kosh-R-Best, Inc., 620 Albany Avenue, Hartford, Conn.

Kral's Meat Market, Lebanon County, Schaeferstown, Pa.

Kramer Beef Co., 240 River St., Scranton, Pa.

J. Fred Kraus Sons, 2510 Dulany Street, Baltimore, Md.

Kreinberg and Krasny Inc., 3300 West 65th Street, Cleveland, Ohio.

Krey Packing Co., 2100 Bremen Avenue, St. Louis, Mo.

Kriel Packing Co., Inc., 137 South Warwick Avenue, Baltimore, Md.

Kummer Meat Co., Route 4, Hillsboro, Ore.

Kunkel Packing & Provision Co., 2007 Broadway, Quincy, Ill.

Kunzler & Co., Inc., 648 Manor Street, Lancaster, Pa.

Kwiatkowski Bros., 144 Detroit Street, Buffalo, N. Y.

Kwick Steak Co., Fairburn, Ga.

N. Lachapelle & Sons, 8-10 Charles Street, Worcester, Mass.

LaChoy Food Products, Division of Beatrice Foods Co., Archbold, Ohio.

Lackawanna Beef & Provision Co., 1000-1006 South Wyoming Avenue, Scranton, Pa.

Lakeside Products Co., Walled Lake, Mich.

Lakeview Farm Meat Market, Inc., 2002 Fourth Street NE. (mail) 1511 Good Hope Road SE., Washington, D. C.

Lamoni Packing Co., Inc., Lamoni, Iowa.

Lampe Market Company, 1950 Dakota Avenue, South, Huron, S. Dak.

Lampert Beef Co., Inc., 69 South Market Street, Boston, Mass.

Landers & Co., Post Office Box 6642, Stockyard Station, Denver, Colo.

Landy Packing Co., Box 251, St. Cloud, Minn.

M. Lapin & Sons Co., 316-330 Callowhill Street, Philadelphia, Pa.

Isadore Lapine, 46 Kenilworth Avenue, Toledo, Ohio.

V. LaRosa & Sons, Inc., Jacksonville Road and County Line, Hatboro, Pa.

Larson Brothers Co., Inc., 226-228 North James, Kansas City, Kans.

Guy A. Laurents Packing Co., 2700 Dwenger Avenue, Fort Wayne, Ind.

Lawrence Corp., 527 West 41st Street, Chicago, Ill.

Lawton Meat Supply, East End of "D" Street, Box 1187, Lawton, Okla.

H. W. Lay & Co., Inc., 4520 Peachtree Industrial Boulevard, Chamblee, Ga.

T. L. Lay Packing Co., 400-402 East Jackson Avenue, Knoxville, Tenn.

C. W. Layer & Co., 1516 Story Avenue, Louisville, Ky.

Leduc Packing Co., Post Office Box 327, Springfield, Mo.

D. L. Lee & Sons, Alma, Ga.

Lee Foods, Inc., 137 Franklin Avenue, Scranton, Pa.

John J. Leech, 154 Cross Street Market, Baltimore, Md.

Leeds Packing Co., Inc., Leeds, Ala.

Olin M. Leidy, R. D. 1, Souderton, Pa.

Len's Caterers, 125 Sisson Street, Pawtucket, R. I.

Leon's Famous Pit Bar B-Q, 101 North Ewing Avenue, Dallas, Tex.

Lester Packing Co., Linton, Ind.

Levin Dressed Beef Co., Inc., 816 Noble Street, Philadelphia, Pa.

Abraham Levine, 9 Center Street, Ellenville, N. Y.

Levy Brothers, Post Office Box 41, Augusta, S. C.

Joe Lewis & Sons Kosher Meat Market, 1914 Hamilton Street, Houston, Tex.

Lewis & McDermott, Second and Harrison Streets, Berkeley, Calif.

Lewis River Meat Co., Route 1, Box 214, Woodland, Wash.

Libby-McNeill-Libby, Union Stock Yards, Chicago, Ill.

John Liber, Route 3, Alliance, Ohio.

Liberty Meat Packers, Route 1, Eagle, Idaho

Liberty Packing Co., 800 East Las Vegas Street, Colorado Springs, Colo.

Robert Lieberman, 404 West 13th Street, New York, N. Y.

Liebman Packing Co., Box 7, Green Bay, Wis.

E. C. Lightle, 2071 Payne Street, Columbus, Ohio.

The Lima Packing Co., 215 South Central Avenue, Lima, Ohio.

Lincoln Beef Co., 137 Newmarket Square, Boston, Mass.

Lincoln Meat Co., 3800 South Halsted Street, Chicago, Ill.

Lindner Packing & Provision Co., 1624-30 Market Street, Denver, Colo.

Lingo Packing Co., Route No. 1, Jonesboro, Tenn.

Lipoff's Wholesale Meats, 828-830 Callowhill Street, Philadelphia, Pa.

Lisbon Sausage Co., 433 South Second Street, New Bedford, Mass.

Little Mexico Frozen Foods, South Chadbourne Street, San Angelo, Tex.

Little Rock Packing Co., Foot East 4th Street, Little Rock, Ark.

Little's Wholesale Meat House, 214 East Middle Street, Hanover, Pa.

Litvak Meat Co., 5900 York Street, Denver, Colo.

Lloyd Packing Co., 1038 North Canfield-Niles Road, Youngstown, Ohio.

George J. Lochmann Packing Co., Fort Dodge Route, Dodge City, Kans.

S. Loewenstein and Son, 1945 Adelaide Street, Detroit, Mich.

S. S. Logan & Son, Inc., 1935 Third Avenue, Huntington, W. Va.

The Lohrey Packing Co., 2827-2829 Massachusetts Avenue, Cincinnati, Ohio.

Lombardi Brothers Wholesale Meats, 1926 West Elk Place, Denver, Colo.

Lone Star Packing Co., 812 Live Oak Street, Houston, Tex.

The Long Dressed Beef Co., West 68th Street and Big Four R. R., Cleveland, Ohio.

Longino & Collins, Inc., 3625 Tulane, New Orleans, La.

Longview Meat Co., Post Office 776, Longview, Wash.

Los Banos Abattoir, Post Office Box 949, Los Banos, Calif.

Los Hispanos Provision Co., Inc., 528 Craven Street, Bronx, N. Y.

Louisville Beef Co., 210 Adams Street, Louisville, Ky.

Louisville Provision Co., 914-920 East Market Street, Louisville, Ky.

Loup Valley Packing Co., Loup City, Nebr.

Loveland Packing Co., Inc., Post Office Box 178, Loveland, Colo.

Lovitt Beef Co., Inc., 315 Canal Street, Providence, R. I.

Lowrey's Freshies, Inc., 208 South Kalamath Street, Denver, Colo.

Loyal Packing Co., 3313-27 West 47th Street, Chicago, Ill.

Luce & Co., 300 Kansas Street, San Francisco, Calif.

Luck Bros. Co-op Packing Co., 425 North Second Street, Milwaukee, Wis.

M. Luck Inc., 2345 North 18th Street, Milwaukee, Wis.

Luedke Brothers, Inc., 2601 North 15th, Sheboygan, Wis.

Luer Bros. Packing & Ice Co., 725 East Broadway, Alton, Ill.

Luer Packing Co., Inc., 3026 East Vernon Avenue, Los Angeles, Calif.

Lugbill Bros., Inc., Archbold, Ohio.

Peter J. Luger & Sons, Inc., First Avenue, Geneva Hill, Beaver Falls, Pa.

Lukon Meats, R. D. 3, Burgettstown, Pa.

Lu-Tex Packing Co., Inc., Box 688, Luling, Tex.

Luther's Locker & Packing Co., 409 Grant Street, Holdrege, Nebr.

Lutz Packing Co., 3205 South Rural Street, Indianapolis, Ind.

Lykes Bros., Inc., Post Office Box 1690, Tampa, Fla.

Lykes Bros., Inc., of Georgia, Sylvester Road, Albany, Ga.

M. & C. Foods, Inc., 1820 North Major Avenue, Chicago, Ill.

M. & D. Provision Co., 1120 West 47th Place, Chicago, Ill.

MFA Packing Division, East Mill Street Road, Springfield, Mo.

M. & M. Packing Co., Iola, Kans.

Maass-Hartman Co., 621 West Ray Street, Indianapolis, Ind.

M. M. Mades Co., Inc., 67 South Street, Somerville, Mass.
 Madison Beef Co., 8 North Delaware Avenue, Philadelphia, Pa.
 Madison Packing Co., 12th and Greenwood Streets, Madison, Ill.
 Macarthur Packing Co., 4th and Halstead Street, Hutchinson, Kans.
 MacKimm Bros., Inc., 3727 South Falsted Street, Chicago, Ill.
 Mahon-Bonenberger Packing Co., 2761 North Kentucky Avenue, Evansville, Ind.
 Maier Bros., 497 Harmon Avenue, Columbus, Ohio.
 Maieron Wholesale Meat, 621 West Ray Street, Indianapolis, Ind.
 Makpie Co., 1724 First Street, San Fernando, Calif.
 Joseph Malecki, 191 Person Street, Buffalo, N. Y.
 H. E. Malone, Route 1, Box 755, Texarkana, Ark.
 Mandarin Food Products, Inc., 748 Ceres Avenue, Los Angeles, Calif.
 Manger Packing Corp., 124 South Franklin Road, Baltimore, Md.
 Manieri, Inc., 30th and Oxford Streets, Philadelphia, Pa.
 E. B. Manning & Son, 9531 East Bervely Boulevard, Pico, Calif.
 Manning Dressed Beef, 2601 North Summit, Springfield, Mo.
 H. Mapelli & Son, 1525 Blake Street, Denver, Colo.
 Mar Meat Co., 900 Branch Street, St. Louis, Mo.
 Marhoefer Packing Co. of Iowa, Postville, Iowa.
 Marhoefer Packing Co., Inc., North Elm and 13th Streets, Muncie, Ind.
 Maricopa Packing Co., Box 449, Phoenix, Ariz.
 Market Cooperative Packing Co., Inc., 4445 South Soto Street, Los Angeles, Calif.
 W. S. Marks, Route 2, Box 260, Woodland, Calif.
 Marks & Sons, 3325 West 65th Street, Cleveland, Ohio.
 Marlo Packing Corp., 1955 Carroll Avenue, San Francisco, Calif.
 Marquette Provision Co., 5035 South Halstead Street, Chicago, Ill.
 Marshall Packing Co., Union and Swayzee, Marshalltown, Iowa.
 Ezra W. Martin Co., P. O. Box 788, Lancaster, Pa.
 J. Martinez Packing Co., P. O. Box 1234, Scotia, N. Y.
 Marvel Meats Inc., 97 East Main Street, Corfu, N. Y.
 Maryland Beef and Provision Co., 2139 Kirk Avenue, Baltimore, Md.
 Marysville Meat Packing Co., P. O. Box 8, Marysville, Calif.
 Maryville Packing Co., 909 East Seventh, Maryville, Mo.
 Massachusetts Packing Co., Inc., 133 Newmarket Square, Boston, Mass.
 Master Meat Co., Inc., 310 Johnson Avenue, Brooklyn, N. Y.
 J. H. Matthews & Son, P. O. Box 54, Sardinia, Ohio.
 Maurer-Neuer Corp., 100 Meyer Avenue, Kansas City, Kans.
 Oscar Mayer & Co., Inc., 1241-1263 Sedgwick Street, Chicago, Ill.
 Oscar Mayer Packing Co., 1335 West Second Street, Davenport, Iowa.
 The Mayer Meat Co., 1031 Central, Middletown, Ohio.
 Mays Brothers, Rural Route No. 6, Greeneville, Tenn.
 R. E. Maynard Wholesale Meats, 3350 Griswold Road, P. O. Box 58, Port Huron, Mich.
 McCabe Packing Plant, Route 29 West, Taylorville, Ill.
 McCandless Packing Co., 334 Rhode Island Street, Memphis, Tenn.
 C. A. McCarthy, Inc., 44 North Street, Boston, Mass.
 McCook Packing Corp., P. O. Box 960, McCook, Neb.

McCook & Gray Packing Co., 406 Washington Avenue, Houston, Tex.
 Sam McDaniel and Sons, Route 3, Bedford, Va.
 Archie McFarland & Son., Inc., 2922 South Main Street, Post Office Box 1853, Salt Lake City, Utah.
 John McKenzie Packing Co., Inc., 40 George Street, Burlington, Vt.
 Joseph McSweeney & Sons, S. A. L. Railroad and Dineen Street, Richmond, Va.
 Meats, Inc., 1200 Alaskan Way, Seattle, Wash.
 Meca Meat Co., 2535 East Vernon Avenue, Los Angeles, Calif.
 Medford's, Inc., 18 West Second Street, Chester, Pa.
 Medina Provision Co., Medina, N. Y.
 Edward Meister, 84 South Franklinton Road, Baltimore, Md.
 Melton Provision Co., 1717 South Brazos Street, San Antonio, Tex.
 Memphis Butchers Association, Inc., 1186 Riverside Boulevard, Memphis, Tenn.
 Morris Mendel & Co., Rural Delivery 1, Norwich, N. Y.
 Menghini Bros., Inc., Box 226, Frontenac, Kans.
 Menichetti Packing Co., North Clary Street, Petersburg, Ill.
 Menner Packing Corp., 200 Rutgers Street, Maplewood, N. J.
 Merkel, Inc., 9411 Sutphin Boulevard, Jamaica, N. Y.
 Merkel & Nowmair, Inc., 8386 Main Street, Utica, Mich.
 Meszaros Bros., Inc., 1079 South Broad Street, Trenton, N. J.
 Metz Bros. Meats, 2860 Sidney Avenue, Cincinnati, Ohio.
 George H. Meyer Sons, 1601 Overbrook Road, Richmond, Va.
 Henry Meyer's Sons, Inc., 2855 Sidney Avenue, Cincinnati, Ohio.
 Meyer Packing Co., 3127 Cherokee, St. Louis, Mo.
 Meyer's Packing Co., Chicago and Lafayette Streets, Sioux City, Iowa.
 The H. H. Meyer Packing Co., Central Avenue and Linn Street, Cincinnati, Ohio.
 John Micelle, Lake Charles, La.
 A. Milchaud Co., 175 West Oxford Street, Philadelphia, Pa.
 Joe Michel Packing Co., Post Office Box 492, Meridian, Miss.
 Mickelberry's Food Products Co., 801-811 West 49th Place, Chicago, Ill.
 Mickelberry Sausage Co., 801 West 49th Place, Chicago, Ill.
 Middle Georgia Abattoir, Inc., Post Office Box 104, Macon, Ga.
 Middletown Packing Co., Inc., River Road and Asylum Street, Middletown, Conn.
 Midland Empire Packing Co., Inc., Billings, Mont.
 Mid-South Packers, Inc., Post Office Box 143, Tupelo, Miss.
 Mid-State Packers, Inc., Post Office Box 427, Bartow, Fla.
 Mid-State Packing Co., Inc., 25 Metcalf Street, Buffalo, N. Y.
 Midtown Veal and Mutton Co., Inc., 37 Legal Street, Newark, N. J.
 Mid-West Packing Co., 1301 West Broadway, Sweetwater, Tex.
 Midwest Packing Co., 4823 South 27th Street, Omaha, Nebr.
 Mid West Packing Co., 1310 North Fifth Street, Milwaukee, Wis.
 Mid-Valley Beef Co., Inc., 218 Hull Avenue, Olyphant, Pa.
 Louis Milani Foods, Inc., 4253 West 40th Street, Chicago, Ill.
 Roy C. Miles, 106 South Main Street, Livingston, Mont.
 Milikin Packing Co., 4350 South Alcoa Avenue, Los Angeles, Calif.
 Millar Bros. & Co., Southeast Corner 35th and Reed Streets, Philadelphia, Pa.
 Miller Abattoir Co., 2014 Fifth Street, North Bergen, N. J.

Miller Brothers, 918 Chestnut Street, Camden, N. J.
 Miller & Hart, Inc., 46th Street and Packers Avenue, Union Stock Yards, Chicago, Ill.
 Miller Packing Co., 15214 74th Street, South Seattle, Wash.
 Miller Packing Co., 206 Second Street, Oakland, Calif.
 Charles Miller & Co., North Bergen, N. J.
 E. A. Miller & Sons, Hyrum, Utah.
 Millers Meats, Star Route, Millersburg, Ohio.
 Miller's Super Markets, Inc., 4120 Brighton Boulevard, Denver, Colo.
 Theo T. Miloch & Son, 4070 Deming Avenue, Detroit, Mich.
 Milwaukee Dressed Beef Co., Inc., 126 North Muskego Avenue, Milwaukee, Wis.
 Milwaukee Meat & Provision, 2245 North Teutonia Avenue, Milwaukee, Wis.
 Minch's Wholesale Meats, Box 712, Red Bluff, Calif.
 John Minder & Son, Inc., 75 Stockton Street, Newark, N. J.
 Morris Mindick, 12 Intervale Street, Roxbury, Mass.
 Min Sun Trading Co., 2222 South La Salle Street, Chicago, Ill.
 Minute Steak Co., Box 21, Mitchell Avenue, Burlington, N. J.
 The Miracle Ham Co., Inc., 700 North Western Avenue, Chicago, Ill.
 Mitchell Packing Co., Box 111, Mitchell, S. Dak.
 Mlotok Beef Co., 5 Washington Street, Paterson, N. J.
 Moberly Packing Co., Box 442, Moberly, Mo.
 Modern Meat Packing Co., 3501 Emery Street, Los Angeles, Calif.
 H Moffat & Co., 1400 Fairfax Avenue, San Francisco, Calif.
 Mogen David Kosher Meat Products Corp., 968 Longfellow Avenue, Bronx, N. Y.
 Mohawk Packing Co., 1660 Bayshore Highway, San Jose, Calif.
 Mohr, Inc., Route 12, Box 214, Tacoma, Wash.
 Emery M. Molnar, Latchie Road, Millbury, Ohio.
 Monarch Meat Packing Co., 1323 North 6th Street, Milwaukee, Wis.
 Monarch Packing Co., 2496 Orleans, Detroit, Mich.
 Monarch Packing Co., 3026 North Elliott Avenue, St. Louis, Mo.
 Monarch Packing Co., Inc., 89 Margin Street, Salem, Mass.
 Monarch Provision Co., 920 West Fulton Street, Chicago, Ill.
 Monroe Packing Co., 1801 Monroe Street, Gary, Ind.
 Monroe Packing Co., Post Office Box 604, Monroe, Wash.
 Monroe Packing Co., Inc., 400 Ferrano Street, Rochester, N. Y.
 Montana Horse Products, Butte, Mont.
 Montana Meat Co., Inc., 1419 Helena Avenue, Helena, Mont.
 Montell, Inc., 105 Muir Street, Cambridge, Md.
 Montenery Provisions, Connorsville, Ohio.
 Montrose Beef Co., Inc., Coxton Road, Pittston, Pa.
 Morgan Packing Co., Inc., Austin, Ind.
 Morgan's Meat Market, 25 East Pattsville Street, Pine Grove, Pa.
 Henry Morlang, Inc., U. S. Route 50, Parkersburg, W. Va.
 John Morrell & Co., Inc., South Iowa Avenue, Ottumwa, Iowa.
 John Morrell & Co., 3700 North Grove, Fort Worth, Tex.
 Morrell-Felin Co., 4142 Germantown Avenue, Philadelphia, Pa.
 Morris Packing Co., 666 Windsor Street, Hartford, Conn.
 G. L. Morrison, 115 South 24th Street, Boise, Idaho.
 Morrison & Schiff Corp., 64 Fulton Street, Boston, Mass.

Morrissey Meats and Provisions, 706 First Avenue North, Nashville, Tenn.
 Morton Bros. Packing Co., Johnson City, Tenn.
 Motor City Packing Co., 1532 Alfred Street, Detroit, Mich.
 Mt. Angel Meat Co., Mount Angel, Oreg.
 Mt. Sterling Packing Co., East High Street, Mount Sterling, Ky.
 Mt. Vernon Meat Co., Route 1, Mount Vernon, Wash.
 Mountain Packing Co., Box 286, Dolores, Colo.
 Mountain Packing Corp., 162 Craven Street, Asheville, N. C.
 Mouret Packing Co., 506 Garland Lane, Opelousas, La.
 C. D. Moyer Co., Silverdale, Pa.
 Mulberry Provision Co., Post Office Box 1294, Macon, Ga.
 Harry E. Mundy & Son, R. D. 1, Bound Brook, N. J.
 Munhall Packing Co., 805 Ravine Street, Munhall, Pa.
 Munn & Co., 426 Third Avenue, North, Nashville, Tenn.
 Muntean Packing Co., 5238 Russell Street, Detroit, Mich.
 Murphy's Boneless Beef, Lincoln and Weber Avenue, Stockton, Calif.
 Murphy Meat Co., 1809 23d Street, Sacramento, Calif.
 Murray Packing Co., Plainwell, Mich.
 Murry's Steaks, Inc., 403 Swann Avenue, Alexandria, Va.
 Mutual Beef & Veal Co., 120 Newmarket Square, Boston, Mass.
 Wm. F. Myers Sons, Inc., Westminster, Md.
 Herman Nacker & Co., 2916 West Forest Home Avenue, Milwaukee, Wis.
 Lawrence E. Nagel, Marissa, Ill.
 Nagle Packing Co., 2963 Lansing Road, Lansing, Ill.
 Nalley's, Inc., 3410 South Lawrence Street, Tacoma, Wash.
 National Meat Packers, Inc., 517 West 24th Street, Post Office Box N, National City, Calif.
 National Provision Co., 117 45th Street, Pittsburgh, Pa.
 National Tea Co., Fergus Falls, Minn.
 Natural Bridge Packing Co., 4220-4222 Natural Bridge, St. Louis 15, Mo.
 Nea Agora Packing Co., 953 West Lexington Street, Chicago 7, Ill.
 D. E. Nebergall Meat Co., Post Office Box 188, Albany, Oreg.
 Nebraska Beef Co., 36th and I Streets, Omaha 7, Nebr.
 Ned Cloud Packing Co., 1511 South Kansas, Springfield, Mo.
 Neese Sausage Co., Route 6, Greensboro, N. C.
 Neff's Meat Market, Main Street, Yoe, Pa.
 E. P. Nelson, 504 West Maywood Street, Peoria 5, Ill.
 Frank A. Nelson, Route 2, Box 112, Ludington, Mich.
 Nelson Meat Co., Post Office Box 152, Coyote, Calif.
 Nenninger Packing Co., Cape Girardeau, Mo.
 P. H. Ness, Route 2, York, Pa.
 Neuhoof Bros., Packers, 2821 North Alamo, Dallas 1, Tex.
 Neuhoof Packing Co. (Swift & Co.), 1307 Adams Street, Nashville, Tenn.
 New Bedford Lingua Co., 56 Davis Street, New Bedford, Mass.
 New Bern Provision Co., Highway 17, New Bern, N. C.
 New Castle Packing Co., Post Office Box 416, County Line Road, New Castle, Pa.
 New City Packing & Provision Co., 147 South Water Market, Chicago, Ill.
 The New-Cooperative Co., Dillonvale, Ohio.
 New England Provision Co., Inc., 960 Massachusetts Avenue, Boston 18, Mass.
 New Hampshire Provision Co., Inc., 698 Islington Street, Portsmouth, N. H.
 Newsom Packing Co., Mount Vernon, Tex.

Nichols-Foss Packing Co., 201 Morton Street, Bay City, Mich.
 Niebergall & Martini, Inc., 4415 Eoff Street, Wheeling, W. Va.
 Edgar Nimmer, 2719 North 3d Street, Milwaukee, Wis.
 G. B. Nissen Packing Co., Inc., Webster City, Iowa.
 Noble Packing Co., Inc., 816 Noble Street, Philadelphia, Pa.
 Noble's Independent Meat Co., Post Office Box 1020, Madera, Calif.
 Nola Beef Co., Post Office Box 24, Arabi, La.
 Normal Meat Co., 4021 South Normal Ave., Chicago, Ill.
 North American Packing Co., 93-95 South Market Street, Boston, Mass.
 North East Packing Co., 20 Water Street, Somerville, Mass.
 North End Manufacturer, 364 Brightman Street, Fall River, Mass.
 North End Provision Co., 544 North Underwood Street, Fall River, Mass.
 North Platte Packing Co., 2400 East Eighth Street, North Platte, Nebr.
 North River Meat Co., Inc., 449 West 13th Street, New York, N. Y.
 North Side Packing Co., 2200 Spring Garden Avenue, North Side, Pittsburgh, Pa.
 Northside Packing Co., 3100 Colerain Avenue, Cincinnati, Ohio.
 Norwich Packing Co., 24 North Thames Street, Norwich, Conn.
 Abe Novack, 20 Balmforth Avenue, Danbury, Conn.
 E. F. O'Berry, Post Office Box 111, Suffolk, Va.
 J. F. O'Neill Packing Co., 25th and Z Streets, Omaha, Nebr.
 O. K. Packing Co., Goodland, Kans.
 O. K. Packing Co., Tecumseh, Okla.
 Oakland Meat Co., 3823 South Halsted Street, Chicago, Ill.
 Clarence Obermeyer, 1223-26 Bank Street, Cincinnati, Ohio.
 Ocoma Foods Co., 810 Farnam Street, Omaha, Nebr.
 Ogden Dressed Meat Co., Post Office Box 295, Ogden, Utah.
 Ohio Packing Co., 3245 East Fifth Avenue, Columbus, Ohio.
 The Ohio Provision Co., 6101 Walworth Avenue, Cleveland, Ohio.
 Oklahoma City Packing Co., 1300 Southwest 15th Street, Oklahoma City, Okla.
 Okmulgee Packing Co., 1500 West Fourth Street, Okmulgee, Okla.
 Old Yankee Foods, 700 Fifth South, Seattle, Wash.
 George Oldani & Co., 202 South Ninth Street, St. Louis, Mo.
 Oldani Brothers Sausage Co., 2201 Edwards Street, St. Louis, Mo.
 Old Smoky Packing Co., Inc., Post Office Box 112, Middletown, Pa.
 Olesky Packing Co., Tallmadge, Ohio.
 Omaha Dressed Beef Co., 4640 South 31st Street, Omaha, Nebr.
 Omaha Packing Co., 71 Paris Street, Newark, N. J.
 Omaha Packing Co., Inc., 120 South Market Street, Boston, Mass.
 On-Cor Food Products, 1227 West Fulton Street, Chicago, Ill.
 Ontario Meat Packing Co., Ontario, Oreg.
 Orange County Meat Co., 11666 East Bolsa Avenue, R. D. 3, Santa Ana, Calif.
 Orange Co. Packing Co., Inc., Chester, N. Y.
 Orleans Canning Co., Jamestown, N. Dak.
 Orofino Mercantile Co., 209 Johnson Avenue, Orofino, Idaho.
 Orvis & Clinger, Inc., 5000 East Fremont Street, Stockton, Calif.
 Orvis Bros. & Taylor, Post Office Box 41, Modesto, Calif.
 Osborne Stock Farms, 8275 Central Avenue, NE, Minneapolis, Minn.
 I. Oscherwitz & Sons, 659 West Sixth Street, Cincinnati, Ohio.

Osher Bros. Co., 1840 North Ridge Road, Elyria, Ohio.
 Oswald & Hess Co., 1550 Spring Garden Avenue, North Side, Pittsburgh, Pa.
 Oteo Food Products Co., Nebraska City, Nebr.
 Ottman & Co., Inc., 2 Ninth Avenue, New York, N. Y.
 Owen Bros. Packing Co., Inc., U. S. Highway 11 South, Meridian, Miss.
 Maurice Owsowitz & Son, 17-21 Newell Street, Buffalo, N. Y.
 P & B Packers, Inc., 18th and Vine Streets, Hays, Kans.
 P. D. & J. Meats, Box 392, Kent, Wash.
 P. & H. Packing Co., 7036 Second Avenue, Dallas, Tex.
 Pace Packing Co., Inc., 1300 West Broadway, Sweetwater, Tex.
 Pacific Meats Route 6, Box 740 Puyallup, Wash.
 Pacific Meat Co., Inc., Kenton Station, Post Office Box 5636, Portland, Oreg.
 Pahler Packing Corp., R. F. D. No. 1, Potsdam, N. Y.
 Paige Meat Co., 4220 Natural Bridge, St. Louis, Mo.
 Palmer Packing Co., Post Office Box 658, Candelario Road, Albuquerque, N. Mex.
 Palmyra Bologna Co., Inc., Palmyra, Pa.
 Howard Pancero & Co., 256-260 Stark Street, Cincinnati, Ohio.
 Panhandle Packing Co., Box 206, Alliance, Nebr.
 Panhandle Packing Co., Inc., Pampa, Tex.
 Paragon Food Products, Inc., 431 Somerville Street, Manchester, N. H.
 Wm. C. Parke & Sons 724 West 21st Street, Ogden, Utah.
 Parker House Sausage Co., 4605 South State Street, Chicago, Ill.
 Parker Sausage Co., De Garis Mill Road, Georgetown, Ky.
 H. G. Parks, Inc., 2509 Pennsylvania Avenue (rear), Baltimore, Md.
 Parks Sausage Co., 2460 Woodbrook Avenue, Baltimore, Md.
 Parks, Harris & Co., Columbia, Tenn.
 Anthony Parillo, Inc., 1347 Hartford Avenue, Johnston, R. I.
 Parrot Packing Co., Maumee Road, Fort Wayne, Ind.
 Parsell Beef Co., 313 West Water Street, Flint, Mich.
 Pasco Meat Products, Inc., 618 Howard Street, Buffalo, N. Y.
 Pashigan Brothers, 2816 18th Street, Detroit, Mich.
 Urban N. Patman, Inc., 3290 East Vernon Avenue, Los Angeles, Calif.
 Pavetti Sausage Mfg. Co., 2261 North Linden Avenue, Trinidad, Colo.
 Payne Sausage Co., Rural Route 6, Jonesboro, Tenn.
 Pearl Packing Co., Inc., 710 North West Street, Madison, Ind.
 Peck Meat Packing Corp., 2215 West Scott Street, Milwaukee, Wis.
 Peer Food Products Co., 1400 West 46th Street, Chicago, Ill.
 Peerless Packing Co., 3290 West 65th Street, Cleveland, Ohio.
 Peet Packing Co., Chesaning, Mich.
 John M. Peluso, Rural Delivery Number 1, New Castle, Pa.
 Penczek Bros., Room 214, Exchange Building, Union Stock Yards, Chicago, Ill.
 Penford Packing Co., 127th Street and State Road, Lemont, Ill.
 E. W. Penley, 37 Knight Street, Auburn, Maine.
 Penn Beef Co., 215 West Norris Street, Philadelphia, Pa.
 Penn Packing Co., 630 Callowhill Street, Philadelphia, Pa.
 Peoples Market, Yerington, Nev.
 People's Market, Roberts & Oelwein, Inc., Sixth and Center Street, Pocatello, Idaho.
 People's Wholesale Market, Box 64, Idaho Falls, Idaho.

Pepper Packing Co., 901 East 46th Avenue, Denver, Colo.
 B. Berlin, 444 Church Street, Norfolk, Va.
 Perretta Packing Co., Brier Hill, N. Y.
 Perth Amboy Packing Co., 605 New Brunswick Avenue, Perth Amboy, N. J.
 Peschke Packing Co., 313 South Jackson Street, Ionia, Mich.
 Wm. H. Peters, Inc., Seventh and Sayford Streets, Harrisburg, Pa.
 Peters Meat Products, Inc., doing business as Claire Mont Packing Co., Wagner Street, Chippewa Falls, Wis.
 Peters Packing Co., Post Office Box 1151 (4000 Peoria Road), Springfield, Ill.
 Peters Sausage Co., 5454 West Vernor Highway, Detroit, Mich.
 Peyton Packing Co., Inc., East End of 11th Street, Cotton Addition South, El Paso, Tex., Postoffice Box 106.
 Peza's Slaughter House, 60 Armento Street Johnston, R. I.
 Pezner Bros., 16 Cook Street, Ashley, Pa.
 Pfaelzer Bros., Inc., 939 West Place, Chicago, Ill.
 Philadelphia Boneless Beef Co., 223 Calowhill Street, Philadelphia, Pa.
 Philadelphia Dressed Beef Co., 114-128 Moore Street, Philadelphia, Pa.
 Phillips Packing Co., Race Street, Cambridge, Md.
 Gibson Pierce, R. F. D. 3, Suffolk, Va.
 Pierce Packing Co., Inc., Billings, Mont.
 Bernard S. Pincus Co., 735 Callowhill Street, Philadelphia, Pa.
 Plnkney Packing Co., 2900 Third Street, Amarillo, Tex.
 Pioneer Meat Packers, Box 492, Ontario, Oreg.
 Pioneer Provision Co., 65 Brady Avenue N. W., Atlanta, Ga.
 Pipkin-Boyd-Neal Packing Co., Box 405, Joplin, Mo.
 Piute Packing Co., Postoffice Box 1545, Bakersfield, Calif.
 Pizza Frozen, Inc., 611 Tower Grove, St. Louis, Mo.
 Plat Packing Co., 1410 Fifteenth Street, Denver, Colo.
 Isadore Platt, 3108 Madison Street, Wilmington, Del.
 E. Wilbur Plitt & Bros., 1900 Retreat Street, Baltimore, Md.
 George E. Plitt, Inc., 2652 Pennsylvania Avenue, Baltimore, Md.
 Plymouth Rock Provision Co., Inc., 2700 Third Avenue, Bronx, N. Y.
 Pocomoke Provision Co., Front Street, Pocomoke, Md.
 S. Poehman, 4512½ Ninth Street, Rock Island, Ill.
 Polarized Meat Co., Postoffice Box 608, Scranton, Pa.
 Poletti Sausage Co., 428 Pacific Avenue, San Francisco, Calif.
 John Pollak Packing Co., Box 60, North Aurora, Ill.
 Port Stockton Sausage Co., 1320 South Aurora Street, Stockton, Calif.
 Pontlus Meats, rear 14 East Pine Street, Selinsgrove, Pa.
 Portland Provision Co., Postoffice Box 5666, Kenton Station, Portland, Oreg.
 R. E. Poss and Son, R. F. D. 4, Box 493, Athens, Ga.
 Potts Packing Co., 507 West Fourth Street, Okmulgee, Okla.
 Powell Meat Co., West Bainbridge, Ga.
 Pratt Packing Co., Magnolia Street, Sulphur Springs, Tex.
 Prejean's Wholesale Meat and Products, Carencro, La.
 Premier Packing Co., Inc., 1240 Columbus Avenue, Boston, Mass.
 Premier Smoked Meats, Inc., 85 North Sixth Street, Brooklyn, N. Y.
 Premium Food Plan, Inc., 4563 Torresdale Avenue, Philadelphia, Pa.
 B. J. Price, 1126 Engle Street, Chester, Pa.
 Prickett Packing Co., Batesville, Ark.

Pride of Lima Provision Co., 1304 Neubrecht Road, Box 567, Lima, Ohio.
 Prim Packing Co., 217 Third Street, McDonald, Pa.
 Prime Packing Co., 2049 North Fourteenth Street, Milwaukee, Wis.
 Primeat Packing Co., 2380 20th Street, Detroit, Mich.
 Prince-Roselli Foods, Inc., 6575 Chestnut Avenue, Merchantville, N. J.
 The Procter & Gamble Manufacturing Co., Richmond Terrace & Western Avenue, Port Ivory, Staten Island, N. Y.
 Provisions Meat Co., 225 Webster Street, Oakland, Calif.
 Pruden Packing Co., Post Office Box 14, Suffolk, Va.
 Prudence Foods, Inc., 188 State Street, Boston, Mass.
 Psichalinos Bros. & Co., Inc., 722 Blue Island Avenue, Chicago, Ill.
 Puckett Stock Farm, Sayre, Okla.
 Punxsutawney Beef & Prov. Co., Punxsutawney, Pa.
 Purdy Steak Co., 2730 East Layton Avenue, Cudahy, Wis.
 Pureta Sausage Co., 324 Alhambra Boulevard, Sacramento, Calif.
 Puritan Beef Co., Inc., 825 Washington Street, New York, N. Y.
 Purity Packing Co., Powell Station, Tenn.
 Quaker City Packing Co., Inc., 104 Union Street, Allentown, Pa.
 The Quaker Oats Co., Merchandise Plaza, Room 345, Merchandise Mart, Chicago, Ill.
 Quaker State Foods Corp., 131 Dahlem Street, Pittsburgh, Pa.
 Quality Meat Packing Co., 4512 South Alcoa Avenue, Los Angeles, Calif.
 Quality Packing Co., Post Office Box 1018, Lexington, Ky.
 Quality Packing House, Inc., Route 1, New London, Wis.
 Quality Packing Plant, South of Sugar Factory, Sterling, Colo.
 Queen Packing Co., Inc., 324 North Randolph Street, Philadelphia, Pa.
 Queen Packing Corp., 900 Campbell Street, Rochester, N. Y.
 R & C Packing Co., 4003 Dahlman Boulevard, Omaha, Neb.
 R & R Provision Co., 1240 Pine Street, Easton, Pa.
 R & R Wholesale Veal & Beef, 1538 Wazee Street, Denver, Colo.
 Raber Packing Co., Inc., 100 Apple Street, Peoria, Ill.
 Wm. J. Rahe & Sons, East Jackson Street & Wilson Road, Muncie, Ind.
 Earl Rainbow, Palmyra, N. Y.
 Randolph Packing Co., Route 2, Randleman, N. C.
 Randy's Frozen Meats, 7602 West 55th Street, Arvada, Colo.
 Randy's Steaks, Centerville Road, Manassas, Va.
 Rapides Packing Co., Inc., Box 806, Alexandria, La.
 Raskin Packing Co., 1918 Jay Avenue, Sioux City, Iowa.
 Rath Packing Co., Elm and Sycamore Streets, Waterloo, Iowa.
 Raton Packing Co., 1216 Brilliant, Raton, N. Mex.
 Frank Rausch & Son, Inc., 1097 William Street, Buffalo, N. Y.
 Rayner Packing Co., Inc., 3713 Jensen Drive, Houston, Tex.
 Ray's Abattoir, Blackfoot, Idaho.
 Ray's Brand Products, 1920 South 13th Street, Springfield, Ill.
 Abramo Re, 52 Fulton Street, Boston, Mass.
 Rea Serum Co., P. O. Box 471, Tallahassee, Fla.
 E. S. Read, East Fairfield, Vt.
 Clair E. Reader, 478 Adams Street, Rochester, Pa.
 Real Kosher Sausage Co., Inc., 15 Rivington Street, New York, N. Y.

Redmond Packing Co., Inc., Box 626, Redmond, Oreg.
 Reelfoot Packing Co., South 5th Street, Union City, Tenn.
 Wm. G. Rehn's Sons, 450 Bank Street, Cincinnati, Ohio.
 George L. Reid, Inc., 1613-19 Retreat Street, Baltimore, Md.
 M. Reinfeld & Sons, Inc., 98-100 Prince Street, Newark, N. J.
 Reinhardt Packing Co., 2620 Elliott Avenue, St. Louis, Mo.
 Reitz Meat Products Co., 5608 Raytown Road, Kansas City, Mo.
 Reliable Packing Co., 1440 West 47th Street, Chicago, Ill.
 Reliable Provision Co., 330-332 Mifflin Avenue, Scranton, Pa.
 Frank D. Rendulic, 800 Manning Avenue, McKeesport, Pa.
 Reo Foods, Inc., 2925 Indianola Road, Des Moines, Iowa.
 Republic Food Products Co., 47th and Christlana Avenue, Chicago, Ill.
 Rice Meat Packing Co., South 307 Conklin Road, Veradale, Wash.
 C. Rice Packing Co., Patton St. and Eastern Avenue, Covington, Ky.
 R. B. Rice Sausage Co., Inc., Route 3, Lee's Summit, Mo.
 Joseph N. Rice Co., 1564 Water Street, Covington, Ky.
 C. E. Richards & Sons., 213 West Second Street, Muscatine, Iowa.
 H. Richberg & Son, 2806 Division Street, Manitowoc, Wis.
 Richlor Boneless Pork, Inc., 2766 Webster Avenue, Bronx, N. Y.
 Ridley Packing Co., Duncan, Okla.
 Morris Rifkin & Sons, Inc., Union Stockyards, South Street, St. Paul, Minn.
 Richter's Food Products, Inc., 1040 West Randolph Street, Chicago, Ill.
 Carl Rittberger, R. F. D. 6, Zanesville, Ohio.
 Ritter's, 300 East Philadelphia Avenue, Boyertown, Pa.
 The Rittman Packing Co., Inc., Rittman, Ohio.
 Riverside Packing Co., 817 Water Street, Jackson, Mich.
 Robb Packing Co., Post Office Box 496, Lisle Road, Lexington, Ky.
 A. C. Roberts, Kimberton, Pa.
 Roberts & Oake, Inc., 45th Street and Racine Avenue, Chicago, Ill.
 Roberts Packing Co., Kimberton, Pa.
 Robertson Packing Co., 303 South Main, Springfield, Mo.
 Robison & Terrell, Fillmore, Utah.
 Rochester Independent Packer, 11 Independence Street, Rochester, N. Y.
 Rochester Packing Co., Hacker Street, Rochester, Mich.
 Rockford Wholesale Beef Co., Stillman Valley, Ill.
 Rocky Mountain Packing Co., Inc., Post Office Box 1008, Casper, Wyo.
 Roddey Packing Co., Inc., 707 Stadium Road, Columbia, S. C.
 The J. H. Rodman Graff Corp., 309 Johnson Avenue, Brooklyn, N. Y.
 Roegelien Provision Co., 1700 South Brazos, San Antonio, Tex.
 L. C. Rogers Sausage Co., Route 3, Harrodsburg, Ky.
 Rogers Meat Products, 117 Summer Street, Fitchburg, Mass.
 Rolet Food Products Co., Inc., 24 Bogart Street, Brooklyn, N. Y.
 Roman Packing Co., Box 602, Norfolk, Nebr.
 Roman Products Corp., 498 Huyler Street, South Hackensack, N. J.
 Rome Provision Co., Inc., 105 Pollock Street, Rome, Ga.
 Roode Packing Co., Fairbury, Nebr.
 Max Rosenberg & Co., 300 Johnson Avenue, Brooklyn, N. Y.
 Eugene Rothmund, Inc., 21 South Street, Somerville, Mass.

- Roos Packing Co., 2210 Kentucky Avenue, Indianapolis, Ind.
- Riverside Meat Co., 1614 Puyallup Avenue, Tacoma, Wash.
- Rose City Packing Co., Inc., West Broad Street, New Castle, Ind.
- Sandy Rose Meat Market, 1033 South Ninth Street, Philadelphia, Pa.
- Rose Packing Co., Inc., 2129 West Pershing Road, Chicago, Ill.
- Rosebud Packing Co., Box 523, Winner, S. Dak.
- Roselle Packing Co., 1201 East Linden Avenue, Linden, N. J.
- Rosen Meat Packing Co., 3425 East Vernon Avenue, Los Angeles, Calif.
- Rosenthal Packing Co., 2010 North Grove Street, Fort Worth, Tex.
- Rosevale Packing Co., De Witt, Mich.
- Roseville Packing Co., Route 1, Box 302, Springfield, Mo.
- Robert E. Ross Abattoir, 2000 West Washington Street, Springfield, Ohio.
- Wm. Roth, 886 Kirby Street, Columbus, Ohio.
- Roth Packing Co., Inc., Glenwood, Iowa.
- M. Rothschild & Sons, Inc., 1040 West Randolph Street, Chicago, Ill.
- John Roth & Sons, Inc., 42d and T Streets, Omaha, Nebr.
- Rountree Packing Co., Hanover, Mich.
- J. H. Routh Packing Co., South Campbell Street, Post Office Box 650, Sandusky, Ohio.
- Routh Packing Co., 419 South Sandusky, Tiffin, Ohio.
- A. Rowe Sons Co., First and Linden Streets, Terre Haute, Ind.
- L. E. Rowland & Sons Co., 419 Findley Street, Cincinnati, Ohio.
- Roy Meat, 1756 East 5600 South Street, Roy, Utah.
- Royal Gorge Packing Co., Rhoades Avenue, Canon City, Colo.
- Royal Meat Products Co., 707 Linwood, Kansas City, Mo.
- Royal Packing Co., Post Office Box 1028, Broderick, Calif.
- Royal Packing Co., Inc., 36½ Park Street, Lawrence, Mass.
- Royal Packing Co., 1719 North Vandeventer Avenue, St. Louis, Mo.
- Roy's Food Products, Inc., 2804 South Calumet Avenue, Chicago, Ill.
- Nathan Rubin, Inc., 2426 Scotten Avenue, Detroit, Mich.
- Rucci's Quality Meats, 2226 South 12th Street, Philadelphia, Pa.
- Ruchti Bros., 10600 Ruchti Road, South Gate, Calif.
- E. J. Rudman & Co., 104 Union Street, Allentown, Pa.
- John Ruddy Packing Co., Old Petrolia Road, Wichita Falls, Tex.
- Rudy Sausage Co., 2607 McGavock Road, Nashville, Tenn.
- Rudy's Quality Meats, Broad Street, Landisville, Pa.
- Rund Packing Co., Inc., First and Ellsworth Streets, Lafayette, Ind.
- George G. Ruppertsberger & Sons, Inc., 2639-2645 Pennsylvania Avenue, Baltimore, Md.
- Russ Meat Co., Post Office Box 26, Eureka, Calif.
- Russell Packing Co., 3946 Normal Avenue, Chicago, Ill.
- Russell Packing Co., Inc., Long Prairie, Minn.
- Russell Provision Co., 2457 Russell Street, Detroit, Mich.
- Russellville Packing House, Russellville, Ark.
- Tony Russo, 951 South Ninth Street, Philadelphia, Pa.
- Rutherford Food Corp., 4 West 13th Street, Kansas City 6, Mo.
- Ryan Packing Co., Blue Run Road, Maysville, Ky.
- Rygg Packing, Inc., East Stanwood, Wash.
- S & S Packing Corp., 300 Johnson Avenue, Brooklyn, N. Y.
- S & S Provision Co., 621 West Ray Street, Indianapolis, Ind.
- Sabrett Food Products Corp., 50 Colden Street, Jersey City, N. J.
- Safeway Stores, Inc., Post Office Box 660, Fourth and Jackson Streets, Oakland, Calif.
- Sahlen Packing Co., Inc., 318 Howard Street, Buffalo, N. Y.
- St. Clair Foods Co., Ltd., Lozano Street, San Juan, Tex.
- St. Cloud Meat Packing Co., 14th Street and Third Avenue South, St. Cloud, Minn.
- Eli Saievetz, 13 Brighton Abattoir, Brighton, Mass.
- Salem Commodities, Inc., 201 Fourth Street, Oakland, Calif.
- Salinas Dressed Beef Co., Inc., Post Office Box 147, Salinas, Calif.
- Edwin Salsburg, Lancaster Pike, Shillington, Pa.
- Salter Packing Co., 4350 Alcoa Avenue, Los Angeles, Calif.
- Sambol Packing Co., Shawnee Street and Railroad Avenue, Kansas City, Kans.
- David Samlof & Sons, 130-132 River Street, Troy, N. Y.
- Samett Packing Co., 5600 York Street, Denver, Colo.
- San Antonio Packing Co., 2000 South Laredo, San Antonio, Tex.
- San Jose Meat Co., Route 2, Box 635, Berryessa Road, San Jose, Calif.
- San Mateo Meat Co., Post Office Box 54, 19th Avenue and Bayshore Highway, San Mateo, Calif.
- Samuel Sandler Kosher, Sausage Manufacturing Co., 2207 North 30th Street, Philadelphia, Pa.
- Santa Maria Meat Co., Route 1, Box 126, Santa Maria, Calif.
- Schaake Packing Co., Inc., Route 1, Ellensburg, Wash.
- Schaake Packing Corp., Post Office Box 32, Toppenish, Wash.
- Schaffner Bros. Co., 15th and Reed, Erie, Pa.
- John Schams, 2300 South Avenue, LaCrosse, Wis.
- Charles S. Schaum, 3914 North 25th Street, St. Louis, Mo.
- Schlsler Provision Co., 801 John Street, Portsmouth, Ohio.
- Jacob Schlachter's Sons Co., Inc., 2841 Cole-rain Avenue, Cincinnati, Ohio.
- The William Schluderberg, T. J. Kurdle Co., 3800-3900 East Baltimore Street, Baltimore, Md.
- A. W. Schmidt & Son, Inc., 2136 Harford Avenue, Baltimore, Md.
- Charles J. Schmltdt & Co., 2124 Harford Avenue, Baltimore, Md.
- J. Fred Schmltdt Packing Co., 253 East Kosuth Street, Columbus, Ohio.
- Schmidt Packing Co., North Front Street, Niles, Mich.
- Schmidt Provision Co., Matzinger Road, Toledo, Ohio.
- J. J. Schmitt & Co., Inc., 175 Lewis Street, Buffalo, N. Y.
- J. F. Schneider & Son, Inc., Box 481, Middlesboro, Ky.
- Schneider Packing Co., 146 Victor, St. Louis, Mo.
- A. D. Schnipper, 1002 Wood Street, Texarkana, Tex.
- Schott & Co., Inc., 1703 Poydras Street, New Orleans, La.
- Schrader's Meat Products, 651 Plymouth Avenue, Rochester, N. Y.
- John Schramm & Son, 534 Plymouth Street, Missoula, Mont.
- Michael J. Schulz, 1000 West Mineral Street, Milwaukee, Wis.
- Schuman Provision Co., 641 Kossuth Street, Columbus, Ohio.
- Schwab & Co., 1101 Linwood Boulevard, Oklahoma City, Okla.
- B. Schwartz & Co., 1114 Wood Street, Dallas, Tex.
- Schwartzman Packing Co., Post Office Box 1358, Albuquerque, N. Mex.
- S. Schweid, 238 East Fifth Street, Paterson, N. J.
- Scloto Provision Co., Daniel Avenue, Newark, Ohio.
- C. C. Scott & Sons, R. F. D. 2 Wellston, Ohio.
- Seabrook Farms Co., Seabrook, N. J.
- Seattle Packing Co., 2203 Airport Way, Seattle, Wash.
- Sebastopol Meat Co., Box 56, Sebastopol, Calif.
- Sechrist Bros., Inc., 32 East Main Street, Dallastown, Pa.
- Dave Segal, Blackfoot, Idaho.
- Segal Dressed Beef, West 68th and Big 4 Railroad, Cleveland, Ohio.
- Seiler's, Inc., 4051-59 North Fifth Street, Philadelphia, Pa.
- Seltz Packing Co., Inc., 16th and Garfield Avenue, St. Joseph, Mo.
- A. Seles, 110 57th Street, Pittsburgh, Pa.
- Alfred P. Seligman, Inc., 416 West 14th Street, New York City, N. Y.
- Sell Meat Co., R. F. D. 3, Johnson City, Tenn.
- Selma Dressed Beef Co., Inc., Post Office Box 117, Selma, Calif.
- A. C. Seman Sons, Box 23, Versailles, Ohio.
- A. Servetnick & Sons, 420 North Ninth Street, Philadelphia, Pa.
- Seven Valley Beef, Inc., Cortland, N. Y.
- F. J. Sewald Meat Market Co., Jefferson County, Festus, Mo.
- John Sexton & Co., 500 North Orleans Street, Chicago, Ill.
- Guy Shaffer, R. D. 1, Hooverville, Pa.
- Shamokin Beef Co., South Fifth Street, Shamokin, Pa.
- Shamokin Packing Co. Inc., Post Office Box 388, Shamokin, Pa.
- A. Shapiro Beef Co., 12 Brighton Abattoir, Brighton, Mass.
- Shapiro Beef Co., 139 New Market Square, Boston, Mass.
- K. Shapiro Inc., 2800 Standish, Detroit, Mich.
- Sam Shapiro Wholesale Meats, 1230 Bland Avenue, Dearborn, Mich.
- Shapiro Packing Co., Inc., New Savannah Road, Post Office Box 119, Augusta, Ga.
- F. W. Shattuck & Co., 30 10th Avenue, New York, N. Y.
- Shaw Packing Co., 404 East Oakland Street, Tyler, Tex.
- Shehan & Co. Inc., 2301 South Washington Street, Peoria, Ill.
- Sheller Bros., Smithville, Ohio.
- Shen-Valley Meat Packers, Inc., Timberville, Va.
- Sheridan Meat Co., Inc., 194 North Main Street, Sheridan, Wyo.
- Sherman Slaughtering Co., R. R. 1, Sherman, Tex.
- Shonyos' Inc., Lyndonville, Vt.
- Shores Meat Packers, Telfair Road, Savannah, Ga.
- Shreveport Packing Co. Inc., 1801 Kings Highway, Shreveport, La.
- Shull & Trusdale Wholesale Meat Co., 1200 Leap Hunt Street, West Columbia, S. C.
- Meyer Shulman's Smoked & Cured Meat Co., 77 I Street SE., Washington, D. C.
- Sieck Packing Co., Inc., 3660 Placentia Street, Riverside, Calif.
- Jacob Siegel, 403-5-7 North New Market Street, Philadelphia, Pa.
- Siegal & Block Inc., 4905 Calhoun Road, Houston, Tex.
- Siegal Bros., 518 Washington Street, Woodbine, N. J.
- Siegal-Weller Packing Co., 4535 McDowell Avenue, Chicago, Ill.
- Hans Sierk Meat Packing Co., Post Office Box 946, Wenatchee, Wash.
- Sierra Meat Co., 2424 South Fruit, Fresno, Calif.
- Sigman Meat Co., Inc., 835 East 50th Avenue, Denver, Colo.
- Siller Beef Co., 37 Ann Street, Kingston, N. Y.

Silver Lake Packing Co., R. F. D., Moscow, Pa.

Silver Falls Packing Co., Post Office Box 26, 9902 North Hurst Avenue, North Portland, Oreg.

Silver Hill Corp., Franklin and Harrison Streets, Riverside, N. J.

Silver Skillet Brands, Inc., 7450 North St. Louis Street, Skokie, Ill.

Silverman & Wexler, 3725 South Halsted Street, Chicago, Ill.

Simon Meat & Provision Co., Inc., 309-315 North Halsted Street, Chicago, Ill.

Sinai Kosher Sausage Corp., 3355 South Halsted Street, Chicago, Ill.

Singer Bros., 2906 Southwest Second Avenue, Portland, Oreg.

Sioux City Dressed Beef, Inc., 1911 Warrington Road, Sioux City, Iowa.

Sixth Street Market, Sixth and Pine, North Platte, Nebr.

Skokie Valley Frozen Foods, Inc., 8135 North Monticello Avenue, Skokie, Ill.

Skyway Meat Packing Co., Inc., 71-75 Paris Street, Newark, N. J.

Sluss Bros., North Tazewell, Va.

Smallwood Packing Co., Middlefield, Ohio.

Fred Smaistig, 10 Sherman Street, Millvale, Pa.

Smelko Bros., Old Rainey Works, Mount Pleasant, Pa.

Smit & Son, Boyden, Iowa.

B. G. Smith, 72 River Street, Troy, N. Y.

C. B. Smith, Route 3, Parkersburg, W. Va.

H. A. Smith Markets, Inc., 2731 Dove Road, Port Huron, Mich.

Hubert H. Smith, 509 Young Avenue, Muskegon, Mich.

Lloyd C. Smith, Box 5636, Kenton Station, Portland, Oreg.

Malcolm Smith, 3721 Old York Road, Philadelphia, Pa.

Smith Packing Co., 1143 South E Street, San Bernardino, Calif.

Smith Packing Co., Chicago and Prospects Streets, Sioux City, Iowa.

Smith Packing Co., 807 Third Avenue North, Nashville, Tenn.

Smith Packing House, Mohnnton, Pa.

Smith's Heat'n Serve Frozen Foods, Inc., 3303 Secor Road, Toledo, Ohio.

Smithfield Ham & Products Co., Inc., Smithfield, Va.

Smithfield Packing Co., Inc., Smithfield, Va.

Smithgall & Ging, 338 Court Street, Williamsport, Pa.

W. W. Snively, 4207 York Street, Harrisburg, Pa.

Snell Packing Co., Inc., Route 3, Clovis, N. Mex.

Snider Bros. Inc., Blackstone Street, Wilkinsons, Mass.

Snohomish Packing Co., Inc., Route 4, Snohomish, Wash.

Morris Snow & Co., 4070 Deming Street, Detroit, Mich.

Solano Meat Co., Post Office Box 728, Vallejo, Calif.

Somerville Packing Co., 20 Water Street, Somerville, Mass.

Glen C. Soper, 152 Freedom Street SE., Grand Rapids, Mich.

South Philadelphia Dressed Beef Co., Inc., 232-240 Moore Street, Philadelphia, Pa.

South Side Butchers, R. F. D. 4, Box 352, 3001 South Harding Street, Indianapolis, Ind.

South Side Packing Co., 6525 Hamilton Avenue, Pittsburgh, Pa.

South Side Packing Co., Inc., 2259 South Muskego Avenue, Milwaukee, Wis.

Southern Farms, Walkersville, Md.

Southern Food Co., 5 Lloyd Street, Baltimore, Md.

Southern Foods, Inc., 1616 Murray Street, Columbus, Ga.

Southern Hotel Supply Co., 1248 Fourth Street NE., Washington, D. C.

Southern Packing Co., Inc., South Lella Street, Post Office Box 867, Texarkana, Tex.

Southern Packing Corp., 9 Newcastle Street, Norfolk, Va.

Southern Provision Co., Inc., 1944 Rossville Boulevard, Chattanooga, Tenn.

Southern Style Foods, Inc., Craighead Street, Nashville, Tenn.

The Southland Corp., 2828 North Haskell Street, Dallas, Tex.

Southland Provision Co., Inc., Orangeburg, S. C.

Southland Provision Co. of Florida, Inc., Palatka, Fla.

Southwestern Packing Corp., Box 1068, Harlingen, Tex.

Sparky's Packing Co., 800 West Eighth, Pueblo, Colo.

Spencer Packing Co., Box 488, Spencer, Iowa.

J. Spevak & Co. Inc., 116 South Central Avenue, Baltimore, Md.

Spidle Meat Market, 739 Manor Street, Lancaster, Pa.

James T. Spinos Co., 31 Linden Street, Somerville, Mass.

Spitzler's Meat Products Co., Inc., North Gallatin Avenue Extended, Uniontown, Pa.

Spivack & Onorato, 1875 Main Street, Bridgeport, Conn.

Sprague Bros. Co., 135 Newmarket Square, Boston, Mass.

Spring Grove Packing Co., Inc., Spring Grove, Ill.

Springfield Beef Co., 202-208 Lyman Street, Springfield, Mass.

Springfield Meat Co., Inc., 2860 East Main Street, Springfield, Ohio.

Spungin's Abattoir, Inc., 330 South Cameron Street, Harrisburg, Pa.

Stadler Packing Co., Inc., 660 Belmont, Columbus, Ind.

R. W. Staffed & Sons, 1237 William Street, Buffalo, N. Y.

Stafford's Market, 608 14th Street, North, Great Falls, Mont.

Stahl-Meyer Inc., 172 East 127th Street, New York N. Y.

Stahl Packing Co., Inc., 326 Northwest Sixth Street, Evansville, Ind.

Standard Beef Co., 151 Cedar Avenue, Scranton, Pa.

Standard Beef, Inc., 2510 Orleans Street, Detroit, Mich.

Standard Foods, Inc., 729-731 South Eighth Street, Louisville Ky.

Standard Meat Co., 514 East Central, Fort Worth, Tex.

Standard Packing Co., Inc., 201 West North Street, Kokomo, Ind.

Stanko Packing Co., Sheridan, Wyo.

Frank A. Stanley Packing Co., 10171 Grav-
ois Avenue, Afton, Mo.

August E. Stapf, 2524 Dulaney Street, Baltimore, Md.

Star Packing Co., 164 Esteben Street, Arabi, La.

Star Packing & Cold Storage Co., Sidney, Nebr.

Star Provision Co., 1200 Howell Mill Road, Atlanta, Ga.

Star Provision Co., Inc., 2327 First Avenue North, Birmingham, Ala.

Stark Wetzel & Co., Inc., 725 Gardner Lane, Indianapolis, Ind.

State Fair Provision Co., 316-330 Callow-
hill Street, Philadelphia, Pa.

State National Kosher Provision Corp., 82-
86 Westerlo Street, Albany, N. Y.

State Packing Co., Inc., 3163 East Vernon Avenue, Los Angeles, Calif.

Statesville Packing Co., Old Mocksville Road, Statesville, N. C.

Stauffer Packing Co., 306-308 South Main Street, Rocky Ford, Colo.

Stearns & Welch Meat Co., 4319 Northeast Columbia Boulevard, Portland, Oreg.

George H. Steele Packing Co., R. F. D. No. 2, Centerville, Iowa.

Steen Bros. Food Stores, 334 West Second Street, Albany, Oreg.

Stegner Food Products Co., 1026 Township Avenue, Cincinnati, Ohio.

Max Stein Beef Co., 4070 Deming Avenue, Detroit, Mich.

Steinbach Meat Co., 226-228 North Main Street, Chariton, Iowa.

Steinbacher Packing Co., Woodruff Lane & Henry Street, Elizabeth, N. J.

Sam Steinberg, 990 Crescent Street, Brockton, Mass.

O. J. Steiling, Inc., 801 West 49th Place, Chicago, Ill.

Stephens Packing Co., 2120 Eton Avenue, Albuquerque, N. Mex.

Sterling Boneless Beef Co., 705 Callowhill Street, Philadelphia, Pa.

Sterling Packing Co., Box 87, Sterling, Colo.

Steuernagel Packing Co., 1325 South Brazos Street, San Antonio, Tex.

Stevens Meat Co., Gonzales, La.

Stock Yards Packing Co., Inc., 1107 West Fulton Street, Chicago, Ill.

Stoeven Brothers, Post Office Box 716, Rio Vista Road, Dixon, Calif.

Stokely-Van Camp, Inc., 905 East Fourth Street, Fairmont, Minn.

Stokely-Van Camp, Inc., Post Office Box 1113, Indianapolis, Ind.

Stokes Canning Co., 378 Osage Street, Denver, Colo.

Harvey L. Stoltz and Raymond Matz, Bernville, Pa.

Stoppenbach Sausage Co., River Street, Jefferson, Wis.

Stor-Dor Service Packing Co., 621 West Ray Street, Indianapolis, Ind.

The Stouffer Corp., 3800 Woodland Avenue, Cleveland, Ohio.

Straub & Smith, 5047 West Chelsea Road, Indianapolis, Ind.

Strauss Bros. Packing Co., 530 South Muskego Avenue, Milwaukee, Wis.

Streck Bros., 401 West Washington Street, Belleville, Ill.

A. Darlington Strode, 337 West Union Street, West Chester, Pa.

Stumpf Brothers Packing Co., 3225 South Meridian Street, Indianapolis, Ind.

A. C. Stuebben, doing business as Stubgen's Meat Market, Isabel Street, Saxonburg, Pa.

The Sturgis Packing Co., R. R. 4, Kenton, Ohio.

Suber-Edwards & Co., 1508 West Washington, Quincy, Fla.

The Sucher Packing Co., 400 North Western Drive, Dayton, Ohio.

The Sugardale Provision Co., 1018 McKinley Avenue, SW., Canton, Ohio.

Summers Packing Co., North Liberty, Ind.

Sumski Harband & Sumski, Inc., 1510 Evans Avenue, San Francisco, Calif.

Sunal Kosher Sausage Corp., 3355 South Halsted Street, Chicago, Ill.

Sunflower Packing Co., Inc., 1200 East 21st Street, Wichita, Kans.

Sunny Dale Meat Products, 50 Van Buren Street, Nashville, Tenn.

Sunnyland Packing Co., Dothan, Ala.

Sunnyland Packing Co., Postoffice Drawer 191, Thomasville, Ga.

Superior Meat Products, Inc., 1700 Monroe Street, Gary, Ind.

Superior Packing Co., 4111-4119 South Union Avenue, Chicago, Ill.

Superior Packing Co., 2103 Wabash Avenue, St. Paul, Minn.

Superior Packing Co., Postoffice Box 876, Broderick, Calif.

Superior Provision Co., Massillon, Ohio.

Superior Provisions, Inc., 1345 German-
town Avenue, Philadelphia, Pa.

Supreme Meat Co., Inc., 314 South 21st Street, St. Louis, Mo.

Survall Packing Co., 3207 East Vernon Avenue, Los Angeles, Calif.

Swayze & Garey Packing Co., Edison, Nebr.

Swift & Co. (Neuhoff Packing Co.), 1307 Adams Street, Nashville, Tenn.

Swift & Co., Union Stock Yards, Chicago, Ill.

Joseph Switken Co., 134 West Delaware Avenue, Philadelphia, Pa.

Syracuse Packing & Prov. Co., Inc., 248 Walton Street, Syracuse, N. Y.
 T & T Packing Co., Division Street, Macon, Ga.
 T & W Packing Co., Chicago and Lafayette Streets, Sioux City, Iowa.
 Wm. Taaffe & Co., Inc., 1536 Evans Avenue, San Francisco, Calif.
 G. H. Tabron, Route No. 2, Shinnston, W. Va.
 Talmadge Farms, Inc., Lovejoy, Ga.
 Talone Packing Co., West Washington and R. R., Box 728, Escondido, Calif.
 Isaac Tamaren Beef Co., 1515 East Kirby, Detroit, Mich.
 Tankersley Bros. Packing Co., 1017 Grand Avenue, Fort Smith, Ark.
 Tannehill and DeYoung, Inc., Cass Street Road, Postoffice Box 108, Traverse City, Mich.
 Tant Packing Co., 831 Amarouth Avenue, Laurel, Miss.
 Tarpoff & Co., 1428 Edwardsville Road, Granite City, Ill.
 J. V. Taylor & Co., Wyalusing, Pa.
 A. C. Taylor Packing Co., 164 Col Road, Mount Vernon, Ohio.
 Taylor Meat Co., Idaho Falls, Idaho.
 The Taylor Provision Co., 63 Perrine Avenue, Trenton, N. J.
 Ted's Boneless Beef, Inc., 125 North American Street, Stockton, Calif.
 Telfer Packing Co., Owosso, Mich.
 Temptee Product Co., 4655 Washington Street, Denver, Colo.
 Tenda Brand Frozen Foods, Inc., 176 Saddle River Avenue, Garfield, N. J.
 Tennessee Sausage Co., Inc., 295 Southfield, Ecorse, Mich.
 Tennessee Valley Packing Co., Carter Street, Columbia, Tenn.
 Terry Foods, Inc., 700 West Touhy Avenue, Park Ridge, Ill.
 The Teufel Bros. Co., 3325 West 65th Street, Cleveland, Ohio.
 Texas Meat Packers, Inc., 5219 Secons Avenue, Dallas, Tex.
 Texas Meat & Provisions Co., 311 South Lamar Street, Dallas, Tex.
 Texas Packing Co., 1119 Commerce Street, Houston, Tex.
 Texas Tavern Canning Co., Fair Park, Seguin, Tex.
 Theede Packing Co., Somonauk, Ill.
 The Theurer Norton Provision Co., 3136 West 63d Street, Cleveland, Ohio.
 Nick Thielman Sausage Co., Rhine Street, Elkhart Lake, Wis.
 Thies Packing Co., Inc., Box 750, Great Bend, Kans.
 Thies Packing of Dodge City, Inc., East Chestnut Street, Dodge City, Kans.
 Thomasma Brothers, 701 West Leonard Street, Grand Rapids, Mich.
 Thompson Beef Co., 5437 12th Street, Detroit, Mich.
 Tid-Bit Products Co., 17212 Miles Avenue, Cleveland, Ohio.
 Tieman Packing Co., Fort Morgan, Colo.
 Timmerman Packing Co., North Yale and Dawson Road, Tulsa, Okla.
 Titis Food Products, Inc., 175 Main Street, Agawam, Mass.
 Tobin Packing Co., Inc., 900 Maple Street, Rochester, N. Y.
 E. M. Todd Co., Inc., Post Office Box 76, West End Station, Richmond, Va.
 Tog Packing Co., Inc., 1010 Clinton Street, Buffalo, N. Y.
 Tom Boy, Inc., 4353 Clayton Avenue, St. Louis, Mo.
 Torrington Packing Co., box 540, End of West C Street, Torrington, Wyo.
 Trans World Refining Corp., 137 12th Street, Jersey City, N. J.
 Traverse City Provision Co., Cass Street Road, Traverse City, Mich.
 J. T. Trelegan Co., 41 Clay Street, Cambridge, Mass.
 H. Trenkle Co., 1225-1227 Central Avenue, Dubuque, Iowa.

Trenton Dressed Beef Co., 53-63 Bloomsbury Street, Trenton, N. J.
 Trenton Foods, Inc., 713-A Linwood Boulevard, Kansas City, Mo.
 Trenton Packing Co., 58-72 Escher Street, Trenton, N. J.
 John W. Treuth & Sons, 334 Oella Avenue, Catonsville, Md.
 Tri-Miller Packing Co., Hyrum, Utah.
 Triangle Meat Distributors, Inc., 440 West 14th Street, New York, N. Y.
 S. Trilolo & Son, 1141 South 9th Street, Philadelphia, Pa.
 Tri Our Steaks, 480 Slocum Street, Exeter, Pa.
 Triplex Packing Co., Route No. 2, box 80, Pueblo, Colo.
 Trumbull Packing Co., Route No. 2, Sioux Falls, S. Dak.
 Tru-Value Food Products, 309 Front Street, Santa Cruz, Calif.
 Trunz, Inc., 24-45 Lombardy Street, Brooklyn, N. Y.
 Turlock Meat Co., postoffice box 586, Turlock, Calif.
 Turner Brothers, 123 East Osage Street, Nowata, Okla.
 Turvey, Inc., Post Office Box 54, 103 Southeast Eighth Street, Oklahoma City, Okla.
 Turvey Packing Co., Blackwell, Okla.
 Twin City Packing Co., Inc., Sixth and Cherry Streets, Winston-Salem, N. C.
 Uddo & Taormina Co., 527 Chestnut Avenue, Vineland, N. J.
 Uintah Packing Co., 400 North Vernal Avenue, Vernal, Utah.
 William Underwood Co., 85 Walnut Street, Watertown, Mass.
 Union Beef Co., Inc., 131 Newmarket Square, Boston, Mass.
 Union Packing Co., 3030 East Vernon Avenue, Los Angeles, Calif.
 Union Packing Co., 3855 North Market Street, St. Louis, Mo.
 Union Packing Co. of Omaha, 4501 South 36th Street, Omaha, Nebr.
 Union Provision & Packing Co., 5138 Butler Street, Pittsburgh, Pa.
 United Beef Co., 140 Newmarket Square, Boston, Mass.
 United Beef Co., Inc., Park Street, Gaffney, S. C.
 United Dressed Beef Co., Inc., 4360 South Soto Street, Los Angeles, Calif.
 United Dressed Meats, 801 North Regal, Spokane, Wash.
 United Home Dressed Meat Co., 9th Avenue and 31st Street, Altoona, Pa.
 United Meat Co., Inc., 3813 Cote Brillante, St. Louis, Mo.
 United Packers, Inc., 1018-1030 West 37th Street, Chicago, Ill.
 United Packing Co., 20th Street, Benwood, W. Va.
 Universal Beef Corp., 119 Newmarket Square, Boston, Mass.
 Ursick Meat Co., 1414 Constitution, Pueblo, Colo.
 U. S. Packing Co., 16 North Street, Bostox, Mass.
 Fred Usinger, Inc., 1030 North Third Street, Milwaukee, Wis.
 Utah County Packing Co., Inc., 428 East 2 South, Provo, Utah.
 Valentine Co., Inc., Post Office Box 356, Terre Haute, Ind.
 Valentine's Meat Juice Co., 166 Chamberlayne Avenue, Richmond, Va.
 Valley Meat Co., Box 263, Marysville, Calif.
 Valley Meat Co., 123 South Yellowstone, Sidney, Mont.
 Valley Packing Co., Post Office Box 1001, Pueblo, Colo.
 Valley Packing Co., Post Office Box 1525, Farmington, N. Mex.
 Valley Packing Co., 618 Commerce Street, San Benito, Tex.
 Valley Packing Plant, Box 911, Livingston, Mont.
 Valley Sausage Co., Post Office Box 581, La Grande, Ore.

Valleydale Packers, Inc., of Bristol, Commonwealth Avenue, Bristol, Va.
 Valleydale Packers, Inc., Eighth and Iowa Streets, Salem, Va.
 William Van Alstine, Route 1, Box 140, East Lansing, Mich.
 Van Brown Packing Co., 1700 North Yale, Tulsa, Okla.
 Van's Packing Plant, Box 1902, Boise, Idaho.
 Varano & Troutman Abattoir, Sixth and Oak Streets, Kulpmont, Pa.
 Joseph Venexia & Sons, 601 Moore Street, Norristown, Pa.
 Venice Maid Co., Inc., Boulevard and Montrose Streets, Vineland, N. J.
 Frank Venuto, 407 North 66th Street, Philadelphia, Pa.
 Joseph Venuto, 231-35 Tasker Street, Philadelphia, Pa.
 Verschoor Packing Co., Hospers, Iowa.
 Vetter Meat Co., 817 West Lordiman Street, Kokomo, Ind.
 Victor Meat Co., Inc., 331 Washington Street, Oakland, Calif.
 Victory Beef Co., 557 River Street, Paterson, N. J.
 Victory Packing Co., 3363 East Fourth Street, Los Angeles, Calif.
 Victory Beef Co., 2530 Scotten, Detroit, Mich.
 Vienna Sausage Mfg. Co., 1215 South Halsted Street, Chicago, Ill.
 Vietti Foods Co., 701 Bradford Avenue, Nashville, Tenn.
 Viking Packing Co., Inc., 241 Mehle Street, Arabi, La.
 Virginia Packing Co., Duncan Avenue, Virginia, Ill.
 Virginia Provision Co., Inc., Walden Avenue 1745, Cheektowaga, N. Y.
 Vogel's Inc., 121 South Second Street, Pekin, Ill.
 Vogt Packing Co., 4309 South Dort Highway, Flint, Mich.
 J. H. Vollmer & Sons, Bozeman, Mont.
 John Volpi & Co., 5258 Daggett Avenue, St. Louis, Mo.
 Volz Packing Co., 826 East Prairie Avenue, St. Louis, Mo.
 Wabnitz & Deters, 765 West South Street, Indianapolis, Ind.
 Wagers Packing Co., 713 North San Jacinto Street, Houston, Tex.
 Wagner Provision Co., 56 East Broad Street, Gibbstown, N. J.
 G. H. Waldock, Inc., Neilson Avenue, Sandusky, Ohio.
 The Waldock Packing Co., Perkins Avenue at Campbell Street, Sandusky, Ohio.
 Walden Packing Co., Inc., Route 52, Walden, N. Y.
 Walker Bros., 2579 Graham Avenue, Akron, Ohio.
 Walker's Austex Chili Co., 310 San Antonio Street, Austin, Tex.
 Wall Packing Co., R. F. D., Sturgis, Mich.
 Wallabout Meat Packing Co., Inc., 108 North 6th Street, Brooklyn, N. Y.
 Wald, Baram, Inc., 89 South Market Street, Boston, Mass.
 W. W. Meats & Provisions, Shackamaxon and Allen Streets, Philadelphia, Pa.
 Wallace Meat Co., 512 Cedar Street, Box 767, Wallace, Idaho.
 Wallens-Byrne Packing Corp., 196 Guilford Street, Buffalo, N. Y.
 Walti Schilling & Co., Inc., P. O. Box 495, Santa Cruz, Calif.
 Wampler Wholesale Meats, Inc., R. F. D. 2, Lenoir City, Tenn.
 Wand & Co., Box 193, Slate Hill, N. Y.
 Wardrup Packing Co. Inc., Letcher County, Box 36, Blackley, Ky.
 W. H. Warren, 5873 Highway 70, Memphis, Tenn.
 Warrington Packing Co., Inc., Chalfont, Pa.
 Warsaw Sausage Co., 3711 Scoville Avenue, Cleveland, Ohio.
 Washington Packing Co., Inc., Box 753, Washington, N. C.

Watertown Abattoir, Inc., Watertown, S. Dak.
 Waterman Packing Co., 73 North Third Street, Price Utah.
 Watsonville Dressed Beef, Inc., Post Office Box 629, Watsonville, Calif.
 Wayne Packing Co., 2520 Orleans Street, Detroit, Mich.
 Wayne Packing Co., Inc., Front Street, Rittman, Ohio.
 Weaver's Famous Lebanon Bologna, Inc., Post Office Box 525, Lebanon, Pa.
 Webb Packing Co., Salisbury, Md.
 Weber & Ritter Co., Inc., Post Office Box 54, Sumner, Wash.
 Weber's Pickled Meat Products, 492 South 12th Street, Newark, N. J.
 Ray Weeks & Sons Co., Inc., 6083 West 32 Mile Road, Richmond, Mich.
 Well Packing Co., 1700 Oakley Street, Evansville, Ind.
 Welland Packing Co., Inc., 493 Bridge Street, Phoenixville, Pa.
 Weller Packing Co., Inc., 11 North Main Street, Batesville, Ind.
 C. W. Weimer, New Central Market, East Fourth and Bollvar, Cleveland, Ohio.
 Weimer Packing Co., 225 McColloch Street, Wheeling, W. Va.
 Weinstein Packing Co., Station B, Superior, Wis.
 Weisel & Co., Inc., 2113 North Humboldt Avenue, Milwaukee, Wis.
 Weiss Packing Co., R. F. D. 1, Turkey Hollow Road, Dinora, Pa.
 Well & Davies, Payette, Idaho.
 Welsh Packing Co., Box 1644, S. S. Station, Springfield, Mo.
 Wenatchee Packing Co., Inc., South Wenatchee Avenue, Wenatchee, Wash.
 Earl S. Wenrich, 566 Pennsylvania Avenue, Sinking Spring, Pa.
 John Wenzl Co., 4300 Jacob Street, Wheeling, W. Va.
 Charles Werkmeister, 716 Lapeer Avenue, Port Huron, Mich.
 L. E. Werners Sons, 225 Main Street, Watertown, Pa.
 Wessel Brothers, 100 State Street, Belleville, Ill.
 West Coast Meat Co., 9628 Madison Avenue, Castro Valley, Calif.
 West & Ellender, Inc., M. R. H., Sulphur, La.
 R. B. West Co., Inc., 1233 William Street, Buffalo, N. Y.
 Western Boy Meats, Post Office Box 112, Yakima, Wash.
 Western Cattle & Dressed Beef Co., 4773 Calhoun Road, Houston, Tex.
 Western Meat Packers, Inc., 1300-1308 West Seventh Street, Little Rock, Ark.
 Western Meat Packers, Inc., Post Office Box 387, Missoula, Mont.
 Western Packing Co., 5747 North Peters Street, New Orleans, La.
 Western Packing Co., Inc., Post Office Box 552, Toppenish, Wash.
 Western Pork Packers, Inc., 288 Franklin Street, Worcester, Mass.
 Weyhaupt Brothers Packing Co., 1510 Lebanon Avenue, Belleville, Ill.
 J. L. Whisler & Sons, Inc., Post Office Box 553, Elkhart, Ind.
 White Packing Co., Liberty Street Extended, Salisbury, N. C.
 Whitehall Packing Co. (see Peters Meat Products, Inc., Chippewa Falls, Wis.).
 Whitson Food Products Co., 1207 Oakland Avenue, Denton, Tex.
 Wickham Packing Co., Inc., Post Office Box 236, Sapulpa, Okla.
 Paul H. Wike, 116 North Robeson Street, Robeson, Pa.
 Wilder's Abattoir, Route No. 1, La Junta, Colo.
 Wilkes-Barre Abattoir, 810 North Pennsylvania Avenue, Wilkes-Barre, Pa.
 Williams Packing & Storage Locker Co., 300 South Main, Miami, Okla.
 S. W. Williamson, Turbotville, Pa.

Willo Packing Co., 120 North Sixth Street, Brooklyn, N. Y.
 Willow Brook Packing Co., Inc., West Chester, Pa.
 Wilson & Company, Union Stockyards, Chicago 9, Ill.
 John W. Wilson Sausage Co., Lewisburg, Tenn.
 Winchester Packing Co., Inc., Hutchinson, Kans.
 Winget's Market, Ithaca, Mich.
 Winner Packing Co., Lock Haven, Pa.
 Wisconsin Packing Co., 215 West Oregon Street, Milwaukee, Wis.
 Wisconsin Wholesale Meats, Inc., 2330 20th Street, Detroit, Mich.
 James Witt Sausage Co., 77 I Street SE., Washington, D. C.
 Wolf Packing Plant, R. R. No. 4, La Porte, Ind.
 Wolfe's Meat Market, 105 North Center Street, Cumberland, Md.
 Wolf Meat Co., 1325 South Brazos Street, San Antonio, Tex.
 Wolf's Home Service, R. R. No. 4, Box 153, Belleville, Ill.
 Wolin Packing Co., 3401 Michigan Avenue, Flint, Mich.
 Wolverine Packing Co., 1340 Winder Street, Detroit, Mich.
 Luther Wood & Son, Franklinton, La.
 Roger Wood Packing Co., Post Office Box 612, Savannah, Ga.
 Wood County Packing Co., Hart Avenue, Fostoria, Ohio.
 Norman A. Wright, R. R. No. 2, Boonville, Ind.
 Wright Packing Co., Baytown, Tex.
 Wright Packing Co., 2510 Cleveland Avenue, National City, Calif.
 Wuestling Packing Co., 3955 Garfield Avenue, St. Louis, Mo.
 Wyandot Meat Products, Inc., R. F. D. No. 1, Nevada, Ohio.
 Wyler & Co., 1050 Fullerton Avenue, Chicago, Ill.
 Y. J. Packing Co., Post Office Box 57, Coeur d'Alene, Idaho.
 Yaddin Valley Packers, Inc., Post Office Box 187, Elkin, N. C.
 John E. Youndt, Adamstown, Pa.
 Young Brothers, Prattville, Mich.
 Young & Stout, Inc., Traders Avenue, Clarksburg, W. Va.
 Young's Packing Co., Inc., 801 South Main Street, Decatur, Ill.
 Delbert Zandbergen, Wilson Road, Route 1, Grandville, Mich.
 Zanville Packers, Inc., Foot of Tyler Street, Toledo, Ohio.
 B. Zeff & Co., Post Office Box 425, Modesto, Calif.
 R. L. Zeigler, Inc., Post Office Box 351, El Paso, Tex.
 Zeimmer & Zeimmer, Harlan, Ind.
 Zenith Meat Co., 2501 Vernon Avenue, Los Angeles, Calif. (Safeway).
 Zenith Meat Co., Nampa, Idaho (Safeway).
 Zenith Packing Co., 5600 York Street, Denver, Colo.
 Wm. G. Ziegler & Son., Main Street, Schwenksville, Pa.
 Zimmerman Beef Co., 1200 Howell Mill Road, Atlanta, Ga.
 Zion Kasher Meat Products, Inc., 482 Austin Place, Bronx, N. Y.
 Zltron Brothers, 219 South Muskego Avenue, Milwaukee, Wis.
 Geo. L. Zoekler's Sons., 118 Bow Street, Wheeling, W. Va.
 Zolmans Farm Market, Rural Delivery 3, Fredericktown, Ohio.
 Sam Zubroff, 401 Sunbury Street, Minersville, Pa.
 Jacob Zucker, 176 South Elliott Place, Brooklyn, N. Y.
 J. Zuman Abattoir, Oak Tree Road, Iselin, N. J.
 Herman Zumstein, Inc., 3095 Colerain Avenue, Cincinnati, Ohio.
 Zweigart Packing Corp., Pocatello, Idaho.

Mr. CARROLL. Mr. President, I desire to congratulate and to commend the distinguished Senator from Wyoming for the wonderful and excellent leadership he has given the Antimonopoly Subcommittee of the Senate Judiciary Committee.

As a new Member, I have been privileged to participate in the oil investigation, the steel investigation, and the investigation of the automotive industry. I say in all sincerity that the leadership of the distinguished Senator from Wyoming has given not only great knowledge, but great impetus, to those hearings. As a new Member, I cannot help but express my admiration and my compliments on this occasion.

We all are deeply concerned with and interested in the evidence on administered prices in the steel industry brought out by the distinguished Senator from Wyoming and the distinguished senior Senator from Tennessee [Mr. KEFAUVER] during the Antimonopoly Subcommittee hearings.

Is there any doubt in the mind of anyone concerning the magnitude of that economic matter?

Is there any doubt in the mind of any economist that the United States Steel Corp. sets the price for steel commodities? And is there any question that after the price is set—economists are beginning to call it an "administered price"—some 25 steel companies move their prices up toward such price?

The same appears to be true in the automotive industry, although this is denied by the leaders in the industry. Three major automobile companies produce 96 percent of the products of the entire industry. The similarity of pricing on comparative models by these three majors is more than coincidental.

The tremendous influence of the major oil companies is admitted by all who have studied the record. Such influence also provokes the kind of questions the able Senator from Wyoming has been asking. Where is this Nation headed?

Only a few days ago a distinguished writer, Sylvia Porter, mentioned in a column on small business the topic of business mergers which are producing giant industries and squeezing out small companies. See too wondered in her column where this country is heading. She made some dire predictions and prophecies in her estimate of the situation.

As a new Member of this body I must say in all frankness I do not think the subject of monopoly is receiving serious enough consideration by either this body or the other body of the Congress. A few men work hard, as the able Senator from Wyoming has for over 20 years, in an effort to alert this Nation to what is happening.

Today we have a very serious and unprecedented economic problem confronting us. The cost of living has been increasing month by month, in a period of economic decline. We find that the durable goods industries are in great economic distress. Unemployment is increasing and spreading. Production of steel has been at 52 percent of capacity for months. But at the same time there is no price reduction in steel or automo-

biles or any of the industries producing durable goods which are controlled by the major giant corporations.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CARROLL. I am very happy to yield.

Mr. O'MAHONEY. I have just received a message through the counsel of the committee, Mr. Don McHugh, from the Federal Trade Commission, which tells of an action today by the Giant Food Shopping, Inc., which proves every word I have been saying about the loopholes in the law which ought to be closed.

Let me read the message. I call this particularly to the attention of my friends in the press gallery who do me the honor of listening to this discussion. I will read it slowly:

On December 19, 1957—

A little more than 3 months ago—

the Federal Trade Commission ruled that Giant Food Shopping, Inc., was not a meat packer merely because it was grinding and mixing beef and pork into meatloaf and sausage. The case was referred back to the Examiner for further consideration of the charges of price discrimination.

On March 21, 1958, last Friday—

When the pending bill became the unfinished business of the Senate—

Giant bought 100 shares of common stock in Armour & Co., with par value of \$5 per share. Today, March 24, Giant Food Shopping, Inc., filed a motion to dismiss this case on the ground it now qualifies as a packer under the Packers and Stockyards Act, and therefore is no longer subject to the jurisdiction of the Federal Trade Commission. This motion is based on the claim that under title 2 of the packer definition a company qualified as a packer if it is already engaged in the marketing of meats and then acquires ownership of any interest in the packing company.

If it is already engaged in the marketing of meats, and then acquires ownership of any interest, it becomes a packing company, and therefore exempt from the Federal Trade Commission Act.

Ask the stock raisers of Colorado, or Wyoming, or of any other State in the Union; ask the farmers who raise hogs, where they think they would get by buying 100 shares of Armour & Company's stock. What good would that do them in respect to their prices? But the purchase of 100 shares of Armour stock gets Giant Food Shopping, Inc., off the hook in relation to a charge of violation of the antitrust laws, price discrimination, and the like.

This is the most amazing confession I think I have heard since the Assistant Secretary, Earl Butz, honestly confessed before our committee that for 26 years the Department of Agriculture had not adequately enforced the Federal Trade Commission Act.

Mr. CARROLL. I thank the Senator from Wyoming for bringing this matter to our attention. It only emphasizes the boldness, the brazenness of this group of people in negotiating such a transaction when the bill is under consideration and asking that they be exempted from possible prosecution under the Federal Trade Commission Act.

After listening to the message read by the distinguished Senator from Wyoming, I ask this question: Is the amount of the purchase sufficient to exempt them, under existing law, from possible prosecution under the antitrust laws?

Mr. O'MAHONEY. I give a curbstone opinion to the Senator from Colorado. I do not believe that the purchase of such an amount of stock will be sufficient. However, the fact is that title II of the Packers and Stockyards Act contains this provision in section 201, which defines the term "packer." This is one of the amendments that was written into the law by the lobbyists in 1921:

When used in this act—

The term "packer" means * * * any person engaged in any business referred to in clause (a) or (b) above.

The businesses referred to in clauses (a) and (b) above are the businesses—

(a) of buying livestock in commerce for the purpose of slaughter, or (b) of manufacturing or preparing meat or meat food products for sale or shipment in commerce.

My further answer to the Senator is that even though that loophole was created, it is the business of Congress to slam the door and close it now.

Mr. CARROLL. Did not the evidence adduced at the hearings show that 6 or 7 of the big food corporations, by using a similar device, had exempted themselves from prosecution?

Mr. O'MAHONEY. I say to the Senator from Colorado, tell the world that the gigantic food companies, the gigantic food chains, and the big packers want to take into their own hands, and out of the hands of Congress, all the constitutional power which the forefathers gave Congress to protect the public interest.

Mr. CARROLL. Would the Senator from Wyoming say that, as the result of 6 or 7 large chains having put themselves in the packing business by virtue of the method of operation described, they are no longer subject to prosecution under the Federal Trade Commission Act?

Mr. O'MAHONEY. I do not wish to rely upon a legal argument. I wish to make the provision a hard-and-fast law. By the bill before us we would repeal this definition of "packer," and by repealing it we would close the loophole. That would mean that the Federal Trade Commission Act would remain under the jurisdiction of the Federal Trade Commission, which was established to enforce it.

Mr. CARROLL. And that was the condition which existed before 1921.

Mr. O'MAHONEY. The Senator is correct.

Mr. CARROLL. Mr. President, I assure the Senator from Wyoming that I wholeheartedly support the measure introduced by him and the Senator from Utah [Mr. WATKINS], which is designed to strengthen the antitrust laws by authorizing the Federal Trade Commission to proceed against monopolistic and unfair trade practices of meatpackers. Everyone who has studied the meatpacking industry knows that it is one of the most important in the American

economy, for it slaughters vast quantities of livestock annually. Livestock is a major source of income to the producer and supplies a substantial part of the diet of the Nation. Because of these facts the price of livestock paid to the producer and the cost of meat and meat products to the consumer are of vital importance. Since I represent many livestock producers, I am particularly aware of these problems. The American meatpacking industry traditionally has been dominated by a few large companies, and in terms of the total number of companies, this continues to be the fact down to the present day.

The Senator from North Dakota [Mr. YOUNG] and I are sponsoring an amendment to S. 1356 in order to give the livestock producer greater protection than he now has under the Packers and Stockyards Act from unfair and discriminatory practices by meatpackers and others.

Senator O'MAHONEY and Senator WATKINS, the sponsors of S. 1356, recognize that such an amendment is necessary if livestock producers are to receive a fair price for their product. As Senator O'MAHONEY has already pointed out, S. 1356 does not attack the enforcement record by the Department of Agriculture under title III of the Packers and Stockyards Act where its authority is directed against practices which occur on the stockyard. The Department of Agriculture has demonstrated that it is competent and well able to deal with the problems of the producer in getting the products of the producer to the market place. Therefore, it is my firm belief that S. 1356 would be strengthened by giving the Department of Agriculture jurisdiction over all livestock transactions whether they occur at the stockyard or off the stockyard. Accordingly, sections (j) and (k) of my amendment would broaden the jurisdiction of the Secretary of Agriculture and permit him to regulate livestock transactions at country buying points and at auction yards.

I am basically and fundamentally opposed to the approach adopted by the Cooley bill in the House and which bill I understand has been adopted in full by the Senator from Illinois [Mr. DIRKSEN] in the amendment he introduced on March 3, 1958. In my opinion, this bill is fatally defective because it perpetuates the existing jurisdiction of the Department of Agriculture over merchandising activities of meat packers. The record is clear beyond peradventure of doubt that agriculture has neither the competency nor the inclination to enforce aggressively the antitrust provisions of the Packers and Stockyards Act against the marketing activities of the meat packers, that is, after the livestock has been slaughtered and has entered into the various forms, in which it is prepared for sale to the consumer. This is the principal business of the meat packers. It is the area of their activities which they do not want exposed to the light of day. The meat packers are diligently seeking to preserve the protective umbrella of the

Department of Agriculture over these activities. Past experience has convinced them that they cannot afford to have the Federal Trade Commission conducting investigations of their practices in the merchandising of meat and meat food products. To accept the Cooley bill or the Dirksen amendment is to surrender to the meat packers in the same identical fashion as the Congress deferred to the lobbyists for the meat packers in 1921. The packer lobbyists succeeded in having written into the Packers and Stockyards Act the provision which conferred jurisdiction for the enforcement of this act upon the Secretary of Agriculture.

However, because of my belief that transactions involving the live animal are best regulated by the Department of Agriculture, I feel that certain other provisions of the Cooley bill are desirable. Therefore sections (l), (m), and (n) of my amendment cover, in substance, provisions which are found in section 2 of the Cooley bill and are included in the Dirksen amendment.

Section (l) of my amendment strikes out the last complete sentence of section 302 (a) of title III of the Packers and Stockyards Act. This sentence restricts Agriculture's jurisdiction to stockyards which are 20,000 sq. ft. or more. Complaints have been brought to my attention of unfair trade practices which have been injurious to the livestock growers in those smaller stockyards over which the Department of Agriculture now has no jurisdiction.

I have received complaints from cattle producers in Colorado who were unable to collect large sums of money for sales made to dealers and market operators who purchased at country buying points and auction yards. These purchasers went into bankruptcy and the growers did not get paid. Such a situation could not occur if the Department of Agriculture were able to exercise the same degree of regulation over the activities of market operators and commission agents at country buying points and small stockyards as it now exercises over the posted stockyards.

Section (m) of my amendment is necessary to implement the provision already described which extends Agriculture's jurisdiction to transactions off the stockyard. Section (m) permits the Secretary of Agriculture to require persons operating off the stockyard to register in such manner as the Secretary may prescribe.

As section 311 of title III of the Packers and Stockyards Act is now written, dealers—who are defined as any person, not a marketing agency, engaged in the business of buying and selling livestock, on his own account, or an employee or agent of the vendor or purchaser—are not included among those categories of persons against whom the Secretary of Agriculture can take corrective action for certain improper activities. Section (n) of my amendment is intended to include dealers within the scope of section 311.

I note that the Packers and Stockyards Act in section 406 (b) empowers the Secretary of Agriculture in the exercise of

his duties to request the Federal Trade Commission to make investigations and report in any such case. In examining the record of your hearings, Senator, I note that on page 60 there is a letter to you from Chairman John Gwynne of the Federal Trade Commission replying to your request for all instances in which the Secretary of Agriculture has requested the Federal Trade Commission to conduct any such investigation. In this letter reported on page 60 of the record, Chairman Gwynne noted that the Federal Trade Commission minutes disclosed no such instance, and he stated:

A check has been made with senior staff members of this agency, who can recall no instance when such an investigation and report was requested, at least in the past 20 years.

Paragraph 3 of section 1 of the Dirksen amendment provides that when the Secretary of Agriculture determines it to be in the public interest, the Federal Trade Commission may institute a proceeding under this act. This seems to me to be a completely empty gesture in view of the past history of the Department of Agriculture in seeking the aid of the Federal Trade Commission. Not only is this an empty gesture toward effective antitrust enforcement, but it does violence to our concept of the Federal Trade Commission as an independent agency. Since the Commission is an independent agency, its jurisdiction should not be permitted to rest upon a determination by an executive department. In *Rathbun (Humphrey's Executor) v. U. S.* (295 U. S. 602 (1935)), the Supreme Court described the Federal Trade Commission as "a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government." Under the Dirksen amendment, the jurisdiction of the Federal Trade Commission will be subject to the leave of the Secretary of Agriculture.

S. 1356, with the amendments added by myself and Senator YOUNG, and which has been accepted by the sponsors, would now divide jurisdiction cleanly between the Department of Agriculture and the Federal Trade Commission upon a logical basis of functions which can best be performed by each agency. The area of expertness of the Secretary of Agriculture, as evidenced in his experience, generally relates to matters involved in production and the initial sale by the producer. The Federal Trade Commission operates primarily in the sale or merchandising of commodities, that is, in sales to wholesalers, to retailers and to consumers. S. 1356 with the proposed amendment accomplishes precisely this result. If we are determined to secure effective and realistic antitrust enforcement, S. 1356 is the only way to do it. We must not permit ourselves once more to play into the hands of the major packers and afford them a haven from surveillance of their trade practice activities.

In conclusion, Mr. President, I again wish to pay my respects to the able and distinguished Senators from Wyoming and Utah for the tremendous amount

of work they have expended in constructing the evidence and argument on this bill.

I am sincerely hopeful that the RECORD will be read by all who are interested in developing an effective antitrust program for the protection of the meat producer, the retailer, the wholesaler, and the consumer.

I yield the floor.

Mr. WATKINS. Mr. President, at the outset I wish to make it plain that no packer, large or small, or other business firm engaged in wholesaling meat, non-meat food or other products has anything to fear from the return of authority to prevent unfair trade practices to the FTC, provided their wholesaling and merchandising trade practices conform to the norms outlined in the antitrust laws, which are designed to maintain and foster price as well as product competition. Likewise, my support of S. 1356 should not be construed as an attack upon big business. Bigness, per se, is not to be condemned. In fact, much of the comforts of everyday living which we all enjoy is made possible by economies of production which only large-sized firms can achieve. Only when big business uses its superior bargaining power and economic resources in a manner not consistent with the public interest is it to be condemned.

S. 1356 HAS BIPARTISAN SPONSORSHIP

Mr. President, the public has come to expect and demand that Government reinstate, where possible, and maintain by law as much price and product competition as the public interest necessitates in those areas of the economy in which it works badly or where little of it exists. This public concern is reflected in the platforms of both political parties. It is a matter of bipartisan concern.

For example, the 1956 Republican platform declares:

The Republican Party has as a primary concern the continued advancement of the well-being of the individual. This can be attained only in an economy that, as today, is sound, free, and creative, ever building the new wealth and new jobs for all the people.

We believe in good business for all business—small, medium, and large. We believe that competition in a free economy opens unrivaled opportunity and brings the greatest good to the greatest number.

Republicans also at that time pledged themselves to "a continuously vigorous enforcement of the antitrust laws"—page 7.

On the other hand, members of the Democratic Party at their 1956 convention pledged themselves to maintaining "competitive conditions in American industry," and likewise "to the strict and impartial enforcement" of the laws "designed to prevent monopolies and other concentrations" of economic power—page 18.

Thus both of our major political parties are committed to the objective of maintaining a free and expanding economy by fostering the growth of competition. For this reason, among others, I was happy to join with Sena-

tor O'MAHONEY in sponsoring S. 1356 in the Senate.

S. 1356 is designed to prevent unfair trade practices, and other unlawful restraints in interstate commerce by persons engaged in wholesaling or distributing meats, meat products, nonmeat food, and nonfood products. This it does by amending the Federal Trade Commission Act so as to return to the FTC, jurisdiction over the wholesaling practices of the meatpacking and distributing industry, and by amending the Packers and Stockyards Act so as to eliminate the authority the USDA has not used to prevent unfair trade practices in connection with such wholesaling activities under title II of that act.

PACKERS AND STOCKYARDS ACT OF 1921

In the years prior to 1921 and before passage of the Packers and Stockyards Act, the FTC's investigation of packers resulted in the filing of antitrust suits by the Justice Department against some five national packers. Apparently rather than face prosecution, these packers signed a consent decree which since then has prevented them from dealing in 140 food and nonfood products, chiefly vegetables, fruit, fish, and groceries; using their distribution facilities for the handling of any of these 140 products; owning and operating retail meat markets, and dealing in fresh milk or cream. In effect, they agreed to get out of the grocery business.

In 1921, when the Congress was considering passage of legislation to regulate stockyards, the five national packers, who had signed the consent decree, were able to convince Congress that prevention of unfair trade practices in that industry should be transferred from the FTC to the USDA.

Regardless of the merits their arguments might have had in 1921, it is evident that 37 years of ineffective administration or nonenforcement of title II renders them completely valueless today. Experience, in my opinion, clearly indicates that the Congress made a mistake when it transferred authority to regulate trade practices of packers from the FTC, a specialized agency handling antitrust matters, to the USDA, which did not then, and does not now, have a separate regulatory agency.

Mr. President, a review of USDA experience in the administration of the Packers and Stockyards Act will make this conclusion more obvious. In June 1956, Mr. Millard J. Cook, who for 25 years—1929 to 1955—was employed by the USDA in the enforcement of the Packers and Stockyards Act, the last 10 years of which he served as the head of the unit doing this enforcement work, told the Antitrust and Monopoly Subcommittee:

In the early years of the administration of the act they [USDA] undertook rather extensive studies of the operations of packers. They brought quite a few actions. But at that time they had 150 employees, and took on as many as 30 part-time employees. They had relatively a large appropriation.

From 1921, when the act was passed, up until about 1928 or 1929, they [P & S Administration] were an independent agency and they reported directly to the Secretary of Agriculture in the late 1920's prior to my becoming an employee of the Division, it

was made a Division of the old Bureau of Animal Industry (transcript, June 28, 1956, pp. 336-337).

When asked why this transfer of its status was made, Mr. Cook replied:

Well, I know only from comments that I have heard made. I was new in the organization, and the comments that were made were to the effect that the Secretary at the time was not favorable to the act. He disliked the act.

And I think that some of the feeling of Secretary Jardine boiled over into the Bureau of Animal Industry, because thereafter there was not the inclination to go out and initiate investigations of monopolistic practices (transcript, June 28, 1956, p. 379).

USDA HAS NOT SOUGHT ADEQUATE APPROPRIATIONS

In answer to questions of committee members concerning requests for funds made by the Packers and Stockyards Division during the 10 years he was head of it, Mr. Millard J. Cook replied as follows to the Senate Subcommittee on Antitrust and Monopoly in June 1956:

I made many recommendations; yes. I usually met with a pessimistic approach that it was useless to attempt to get any more money and that the explanation given to me was that Congress wouldn't be interested in appropriating more money for us to do a better job than we were doing.

I think you will find in the Department's records that there are numerous recommendations for increased appropriations. There were innumerable oral conferences with my superiors on the need for increased appropriations.

I think there were a few instances in which my immediate superiors recommended increases, but then when it got into the hands of the budget people in the Department, they scaled down those increases (transcript, June 29, 1956, p. 366).

This indeed is a story of lack of concern by not only the superior administrative but also budget officials of the USDA. Recent experience by the Packers and Stockyards Branch in this respect also has been met by denials of adequate funds.

On July 6, 1956, I introduced S. 4177 in the Senate. The Senate Agriculture Committee to which it was referred requested a report from the USDA on July 10, 1956. In the meantime, the USDA's 1958 fiscal year budget request went to the Bureau of the Budget. Its request for new obligatory authority for administration of the Packers and Stockyards Act amounted to \$178,000 to be used for the purpose of posting additional stockyards under title III of the Packers and Stockyards Act. Not one dollar of new obligatory authority was requested by the USDA for expansion of its enforcement activities under title II of the act for the 1958 fiscal year.

Information given the committee by USDA officials, however, indicated that the Packers and Stockyards Branch requested additional new funds amounting to \$200,000 for title II enforcement.

Notwithstanding this background, the USDA on December 21, after its 1958 fiscal year request had gone to the Bureau of the Budget, rendered a report recommending against enactment of S. 4177. In spite of this negative report on a bill to transfer title II authority back to the FTC, and in spite of the Senate subcommittee's hearings on the meat

industry in 1956, the testimony of the USDA before the House Subcommittee on Agricultural Appropriations for the 1958 fiscal year, makes it plain that the Department did not, until S. 1356 was introduced, intend to pay more attention to the enforcement of title II.

On February 7, 1957, Mr. Roy D. Lennartson, Deputy Administrator, Agricultural Marketing Service, told the House Appropriations Subcommittee:

Although we have been criticized recently for not devoting some of the funds under this act to explorations into trade practices on the part of packers and others outside the yards, I think our policy has been sound in attempting first to use our funds to bring the impact or benefits of this act down closest to where the producer can obtain them (hearings, pt. 2, p. 946).

The Antitrust and Monopoly Subcommittee was told on May 22, 1957, by Assistant Secretary Butz, that the Department of Agriculture would not make a supplemental request for title II funds, but that "we also anticipate requesting from Congress additional funds for administering the act, particularly title II, in our next budget request"—hearings, page 368. However, the budget of the United States Government for the fiscal year ending June 30, 1959—page 323—indicates that the requested increase of \$225,000 in funds for regulatory activities of the Agricultural Marketing Service "would be used to strengthen overall administration of the Packers and Stockyards Act." Then follows a table which, in my opinion, explains what is really meant by strengthening overall administration. The table shows that a total of 546 stockyards were posted and being supervised at the end of fiscal year 1957. It estimates that a total of 606 yards would be posted by end of fiscal 1958, an increase of 60 yards; and that by the end of fiscal 1959 a total of 736 yards would be posted, an increase of 130 yards over fiscal 1958.

Primarily, the requested increase for fiscal 1959 is to be used, as it was last year, for posting and supervising more stockyards. Major emphasis is to continue to be placed on producer-packer relations involving the buying and selling of live animals, but little or none upon the prevention of unfair trade practices in the wholesaling of meat, meat products, and other items sold by packers in interstate commerce as required by title II.

In a recent letter to the Senator from Wyoming [Mr. O'MAHONEY], Secretary Benson said that \$75,000 of the \$225,000 increase in appropriation asked for by the Department for the packers and stockyards branch would be made available for title II enforcement. This does not mean, however, that the \$75,000 will be used to prevent unfair wholesaling practices under title II since packers can be charged with unfair-trade practices with respect to livestock transactions under that title also.

Of the 36 cease and desist orders issued to packers under title II, for example, 28 of these were issued to packers for, first, refusing to pay producers for livestock purchased; second, defrauding farmers through incorrect weighing and grading of their animals, and third, dis-

criminating against some producers in the purchase of livestock. Since the executive budget for fiscal 1959 indicates that \$225,000 increase will be used primarily for the posting of an additional 130 stockyards during fiscal year 1959, it is to be expected that the \$75,000 will be used at the new yards primarily to regulate livestock transactions which involve meatpackers rather than in the prevention of unfair wholesaling trade practices.

Can anyone really doubt, after reviewing this appropriation history as it concerns title II, that USDA plans for its vigorous enforcement do not continue by and large to be tentative and anticipatory, as they have been for 30 years.

ADEQUATE TITLE II ENFORCEMENT STAFF LACKING

By contrast with the vigorous activities in earlier years under title II, as described by the former head of the Packers and Stockyards Branch, responsibility for prevention of unfair trade practices by meat packers until recently not only under title II but under title III as well in Washington, D. C., was vested in the Trade Practices Section of the Packers and Stockyards Branch of the Livestock Division of the Agricultural Marketing Service. A separate and specialized Packers and Stockyards Act Regulatory Agency has long since been dispensed with. This trade practice section was staffed by two marketing specialists and a stenographer at the time S. 1356 was introduced. In October, 1957, it was renamed the Packer Section.

Neither one of these two marketing specialists, who now comprise the Packer Section, nor a single employee in any of the 20 understaffed field offices maintained by the Packers and Stockyards Branch is engaged full-time in title II enforcement. A review of the USDA's April 4, 1957, self-appraisal report on the Packers and Stockyards Act administration indicates, in addition, as does the Department's appropriation request for both the 1958 and 1959 fiscal years that the great bulk of the work of this Packer Section and the Packers and Stockyards Branch itself has been and will continue to be spent in title III enforcement—regulation and posting of stockyards. Any action taken under title II as concerns packer wholesaling practices will remain incidental to its title III activities at stockyards.

These remarks are not to be deemed criticism of the personnel of the Packer Section or of the Packers and Stockyards Branch itself. The personnel of that Branch are to be commended for their continued efforts to obtain more funds and to expand their title II activities involving packer wholesaling practices. These remarks, however, are meant to be critical of several national administrations except during the price control periods for the almost complete lack of action in the past to support the Packers and Stockyards Branch and thereby to comply with the congressional mandate given the USDA in 1921 to prevent unfair trade practices in the meatpacking industry. The simple facts are that the Packers and Stockyards Branch has not been permitted to obtain an adequate enforcement staff for

prevention of unfair trade practices in the merchandising of meat and meat products under title II of the act.

This self-appraisal report I have referred to states that—

The organization that is maintained in administering the Packers and Stockyards Act permits a high degree of flexibility in planning and conducting major investigations and in meeting the fluctuating demands of different district offices. This is because the entire field force may be actively utilized in such an investigation whenever necessary (p. 8).

This statement appears to be a self-directed gratuity rather than a fact, as is revealed by examination of Assistant Secretary Butz and Mr. D. M. Pettus, Director, Livestock Division, Agricultural Marketing Service before the Senate subcommittee. Consider the following colloquy between these gentlemen and myself:

Senator WATKINS. Mr. Secretary, is it not true that in the Ogden, Utah, area you have 2 marketing specialists and 1 clerk—3 people to regulate 26 packers in 3 States, 12 of them in Utah, 13 in Idaho, and also 1 in Oregon?

Mr. PETTUS. Those are the people permanently assigned to that location. When we have an investigation underway, we frequently bring in people from other markets and from our Washington area and add to our staff.

Senator WATKINS. If they do not have any bigger staff in other areas than in this, what would you have to enforce the law where you are moving them from?

Mr. PETTUS. We leave a reduced staff.

Senator WATKINS. For instance, in Billings, Mont., you have 1 marketing specialist and 1 half-time clerk, as I get it, to regulate 5 packers in Utah, 3 in Idaho, 2 in Wyoming, and 11 in Montana—21 altogether. How in the world can you take anybody from that area to help somewhere else such as the Ogden, Utah, area if the others are manned in the same way? (hearings, p. 391).

At this point, Mr. Butz asked Acting Director Pettus to explain how a case 2 years ago in the Ogden, Utah, area was handled. In part, Mr. Pettus replied:

Mr. PETTUS. I cannot recall at the moment how many people we had looking into the particular transaction, but we try to operate it with as few people as possible because we are spread so thin, Senator (hearings, p. 392).

To which I replied, with the colloquy continuing, as follows:

Senator WATKINS. I recognize you are spread thin, and that is our complaint—that you do not have enough force to do the job in title II.

Mr. PETTUS. We agree with you, and I think that is pointed out.

Senator WATKINS. You have not had for nearly 36 years.

Mr. PETTUS. I agree with you, sir.

Senator WATKINS. We think that is a long enough trial period. * * * With all the problems that have been handed to Agriculture, we thought we would certainly find someone who would be glad to get rid of this matter of law enforcement in the field in which the FTC has a special interest by reason of the act of Congress creating it as an independent regulatory agency—a special arm of the Congress.

Mr. BUTZ. It is quite true for 26 years it has not been adequately enforced, but don't you think when the sinner confesses and resolves to do better he should be given a chance? (hearings, p. 392).

As a "confessed sinner," what has the Department of Agriculture actually done since Assistant Secretary Butz said it had resolved to do better? What has it done to streamline its enforcement agency, the Packers and Stockyards Branch, so that greater emphasis can be put on title II enforcement?

In answer to these questions, I regret to reply that it has done very little. Its recent reorganization efforts follow and reflect the nature of its appropriation requests for the Packers and Stockyards Branch. And what is that? The need for posting and supervising more stockyards, which is admirable in itself, but hardly a substitute for adequate title II enforcement as concerns packer wholesaling activities.

For example, in October 1957 the Trade Practices Section was renamed the Packer Section. The mere changing of a name, not backed by an effort to obtain enforcement funds at the departmental level, is no guaranty that this section will be any more able in the future than it has been in the past in preventing unfair wholesaling trade practices by packers. Especially is this true when one realizes that only 36 cease-and-desist orders have been issued to packers since passage of the Packers and Stockyards Act, of which only 8 were for unfair trade practices in the wholesaling of meat and meat-food products.

The Regulatory Audit Section was abolished and its functions given to two new sections—Stockyard and Stockyard Engineering Sections. Two other sections—Rates and Registration, and Scales and Weighing—were not affected by the reorganization. The important thing to note is that the names of all these sections clearly indicate that they are concerned primarily with regulating livestock transactions.

On February 5, 1958, this action was followed by an announcement "that enforcement of the Packers and Stockyards Act is being strengthened further by establishment of an additional Deputy Director in the Livestock Division for overall administration of the act in the Agricultural Marketing Service." What do the packers think of this reorganization move as a means of preventing unfair trade practices in the wholesaling of meat and meat-food products?

The National Independent Meat Packers Association put it this way in their February 11, 1958, bulletin:

On Wednesday of last week Secretary Benson publicly announced an action which in no way satisfies the demands of many meatpackers that the mechanism for proper enforcement of unfair trade practice violations be strengthened * * *. In the opinion of many who are qualified to pass judgment on this situation, this does not even approach an honest recognition by the Department that something more tangible and practical than this shift of emphasis is necessary to meet the requests of the industry that proper enforcement of the Packers and Stockyards Act be insured.

Another packer organization, the Western States Meat Packers Association, observed in its bulletin of the same date, follows:

This association does not believe that this change will do much toward increasing en-

forcement over fair trade practices in the meatpacking industry. It is merely a gesture, and any action taken by the Packers and Stockyards Branch will still be subject to veto by 4 or 5 people in the Secretary's Department, any one of whom can veto any recommendation of the Packers and Stockyards Branch.

In a few words, the Department admits that title II has not received adequate enforcement; yet, paradoxically, it has not asked for and will not ask for adequate appropriations to prevent unfair wholesaling trade practices by packers under its title II authority. Nor, by the same token, will it take adequate steps to improve its internal enforcement setup. Under these circumstances, what reasonably prudent person would not conclude that such responsibility should be returned to the FTC, where it was vested before passage of the Packers and Stockyards Act of 1921? Is not 25 or 30 years of inadequate enforcement a long enough trial period?

ENFORCEMENT OF TITLE II OF PACKERS AND STOCKYARDS ACT HAS BEEN INADEQUATE

The Packers and Stockyards Act vests the Secretary of Agriculture with authority under title II to issue cease and desist orders to packers who engage in unfair wholesaling trade practices. A small number of such cease and desist orders, in and of itself, obviously is not a good indicator of whether title II in this respect has been and is being enforced. A small number of such cease and desist orders, however, do indicate nonenforcement in my judgment, in light of what I have said, when coupled with the growing volume of complaints of unfair trade practices by packers, in their merchandising or wholesaling activities, which due to lack of desire and facilities, the USDA has done little or nothing about.

No, to say the least, it is unlikely that the small number of cease and desist orders—8 in number since passage of the Packers and Stockyards Act—which have been issued to packers for unfair trade practices in wholesaling or merchandising meat and meat products can be attributed to any other fact than a longstanding and continuing display of noninterest and lack of real concern on the part of the USDA. Except for one issued in December 1957, the last one before that was issued in 1938—20 years ago. By docket number, those 8 cease-and-desist orders can be identified as follows: 418—1933, 419—1933, 420—1933, 440—1936, 476—1938, 477—1938, 580—1938, and 2272—1957.

In addition, the USDA has never issued a cease and desist order against a packer for engaging in unfair trade practices in the wholesaling or merchandising of nonmeat food or nonfood products, since passage of the Packers and Stockyards Act. This is the case in spite of the fact that 13.2 percent of the interstate shipments of the 4 largest packers by 1950 was composed of such products, and in spite of numerous complaints which witnesses said were filed with the USDA alleging unfair trade practices by packers in connection with merchandising such products, but which the USDA did nothing about.

These are the kind of unfair trade practices then which S. 1356 is designed to prevent. It is jurisdiction over the trade practices of packers in the merchandising or wholesaling field which S. 1356 would return to the FTC. Its purpose is to prevent the use of unfair trade practices by a packer to the detriment of other packers and food firms in the merchandising or wholesaling of meat, meat food and other products as well, which packers sell in interstate commerce.

In summary, I urge the passage of S. 1356, because 37 years of jurisdiction over packer activities in this area has not produced a quality of enforcement which the public interest requires—and I mean the public interest, including producers, packers, and consumers.

I yield the floor.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 24, 1958, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 1984. An act to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution; and S. J. Res. 162. Joint resolution to stay temporarily any reduction in support prices or acreage allotments.

RECESS UNTIL TOMORROW AT 11 A. M.

Mr. CARROLL. Mr. President, pursuant to the order previously entered, and in accordance with the last clause of Senate Resolution 280, as a further mark of respect to the late Representative GEORGE S. LONG, of Louisiana, I move that the Senate now stand in recess.

The motion was unanimously agreed to, and (at 6 o'clock and 1 minute p. m.) the Senate took a recess, the recess being, under the order previously entered, and in accordance with the last clause of Senate Resolution 280, as a further mark of respect to the late Representative from Louisiana, until tomorrow, Tuesday, March 25, 1958, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 24 (legislative day of March 17), 1958:

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Jacob D. Beam, of New Jersey.
C. Burke Elbrick, of Kentucky.
Bernard Gufler, of Washington.
G. Lewis Jones, of the District of Columbia.
Robert Newbegin, of New Hampshire.
J. Graham Parsons, of New York.
William P. Snow, of Maine.
Tyler Thompson, of Maine.
William C. Trimble, of Maryland.
Henry S. Villard, of New York.
Charles W. Yost, of New York.

The following-named persons, now Foreign Service officers of class 1 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Garret G. Ackerson, Jr., of New Jersey.
Ware Adams, of Rhode Island.
W. Park Armstrong, Jr., of New Jersey.
Rollin S. Atwood, of Maryland.
Walworth Barbour, of Massachusetts.
Leland Barrows, of Kansas.
Frederic P. Bartlett, of New York.
Samuel D. Berger, of New York.
Niles W. Bond, of Massachusetts.
Elmer H. Bourgerie, of Maryland.
Daniel M. Braddock, of Michigan.
Aaron S. Brown, of New Hampshire.
Winthrop G. Brown, of the District of Columbia.
Charles R. Burrows, of Ohio.
Homer M. Byington, Jr., of Connecticut.
Henry A. Byroade, of Indiana.
William P. Cochran, Jr., of Pennsylvania.
Howard Rex Cottam, of Utah.
John K. Emmerson, of Colorado.
Carlos C. Hall, of Arizona.
William O. Hall, of Oregon.
Outerbridge Horsey, of the District of Columbia.
Frederick Jandrey, of Wisconsin.
Howard P. Jones, of Maryland.
Foy D. Kohler, of Ohio.
William S. B. Lacy, of Virginia.
Robert McClintock, of California.
Thomas C. Mann, of Texas.
Edwin M. Martin, of Maryland.
Graham A. Martin, of Florida.
George A. Morgan, of the District of Columbia.

Brewster H. Morris, of Pennsylvania.
Frederick E. Nolting, Jr., of Virginia.
Joseph B. Phillips, of Virginia.
Harold M. Randall, of Iowa.
Hayden Raynor, of the District of Columbia.
William M. Rountree, of Maryland.
William Sanders, of Virginia.
Durward V. Sandifer, of Illinois.
Livingston Satterthwaite, of the District of Columbia.
Walter K. Scott, of Maryland.
Philip D. Sprouse, of Tennessee.
Henry J. Tasca, of Pennsylvania.
Robert P. Terrill, of California.
Ben H. Thibodeaux, of Louisiana.
Ray L. Thurston, of Missouri.
Benson E. L. Timmons III, of the District of Columbia.
William R. Tyler, of the District of Columbia.

David W. Wainhouse, of Massachusetts.
Woodruff Wallner, of New Hampshire.
Joe D. Walstrom, of Missouri.
Woodbury Willoughby, of Florida.
George H. Winters, of Texas.
Glenn G. Wolfe, of West Virginia.

Robert E. Wilson, of Arizona, now a Foreign Service officer of class 2 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the Diplomatic Service, to be also consuls general of the United States of America:

Harrison Lewis, of California.
William D. Moreland, Jr., of Oregon.
The following-named Foreign Service officers for promotion from class 4 to class 3:
Joseph B. Alexander, of Virginia.
James J. Blake, of New York.
William D. Brewer, of Connecticut.
Anthony Cuomo, of California.
Hermann F. Elits, of Pennsylvania.
Harold M. Granata, of New York.
Philip C. Habib, of California.

The following-named persons for appointment as Foreign Service officers of class 4,

consuls, and secretaries in the diplomatic service of the United States of America:

Sherman F. Euler, of Indiana.
David D. Hoyt, of Florida.
Stephen Peters, of Virginia.

John C. Amott, of New Jersey, for promotion from Foreign Service officer of class 5 to class 4.

The following-named Foreign Service officers for promotion from class 6 to class 5 and to be also consuls of the United States of America:

C. Arthur Borg, of New York.
J. Stewart Cottman, Jr., of Maryland.
Alien P. McNeill, Jr., of California.

The following-named persons for appointment as Foreign Service officers of class 5, consuls, and secretaries in the diplomatic service of the United States of America:

Zachary P. Geaneas, of New York.
Henry Hunt McKee, of the District of Columbia.

The following-named Foreign Service officers for promotion from class 7 to class 6:

Paul L. Aylward, Jr., of Kansas.
Brady G. Barr, of the District of Columbia.
Eugene H. Bird, of Oregon.
Paul F. Canney, of Massachusetts.
Robert G. Cox, of New Mexico.
Edwin G. Croswell, of Ohio.
Harold T. Ellis, of California.
Gordon A. Klett, of California.
John D. Tinny, of Florida.
Robert E. White, of Massachusetts.

Joseph Baslie, of New Jersey, for appointment as a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 8 to class 7:

John P. Biaine, of Alabama.
Michael Calingaert, of the District of Columbia.
Jack M. Carie, of Colorado.
Theodore B. Dobbs, of Virginia.
George B. Lambrakis, of New York.
Gerald Floyd Linderman, of Ohio.
Miss Elaine Diana Smith, of Illinois.
Thurston F. Teele, of Massachusetts.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Stephen M. Carney, of the District of Columbia.
Robert A. Lincoln, of California.
Miss Josephine Pasquini, of Michigan.
Howard R. Simpson, of California.

The following-named Foreign Service reserve officers to be consuls of the United States of America:

Robert G. Caldwell, Jr., of Virginia.
Robert H. Cunningham, of Ohio.
Renze L. Hoeksema, of Michigan.
Orval B. Hopkins, of Maryland.
Griffith Jones, of Connecticut.
Deric O'Bryan, of New Mexico.

The following-named Foreign Service reserve officers to be vice consuls of the United States of America:

Richard W. Hale, of Florida.
Anthony L. Sileo, of Connecticut.
Paul E. A. Van Marx, of Connecticut.
John R. Vought, of New York.

The following-named Foreign Service reserve officers to be secretaries in the diplomatic service of the United States of America:

Richard A. Cleveland, of Pennsylvania.
Darwin J. Flakoll, of Virginia.
Roger Goiran, of Maryland.
Edward L. McAllister, of Virginia.
Richard L. Ruffner, Jr., of Virginia.
Barney B. Taylor, of Michigan.
Robert Taylor, of Florida.
John A. Unumb, of Minnesota.
Raymond Villemarette, of Louisiana.
Dan S. Wages, of California.

UNITED STATES MARSHALS

The following-named persons to the positions indicated:

Clare A. Wilder, of Alaska, to be United States marshal for division No. 1, district of Alaska, for a term of 4 years. (Reappointment.)

Fred S. Williamson, of Alaska, to be United States marshal for division No. 3, district of Alaska, for a term of 4 years. (Reappointment.)

Albert Fuller Dorsh, Jr., of Alaska, to be United States marshal for division No. 4, district of Alaska, for a term of 4 years. (Reappointment.)

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 22, 1958
For actions of April 21, 1958
85th-2d, No. 60

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HIGHLIGHTS: See page 8.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1959. Passed as reported this bill, H. R. 11767. pp. 6089-95, 6097-6101

The Appropriations Committee had reported this bill with amendments on April 18 (under Senate order of April 17) (S. Rept. 1438). p. 6017

Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.

At the end of this Digest are a comparison of the Committee actions and excerpts from the committee report.

In presenting the bill Sen. Russell clarified the Committee's position regarding export subsidy programs. In brief, the Senator stated the Committee's action should not be construed as approval of the House Appropriations Committee Report. He said the Senate Committee made no recommendation since it believed this properly to be within the jurisdiction of the legislative committees.
pp. 6091-92

Senate conferees were appointed on the bill. p. 6101

2. PURCHASING. Passed without amendment H. J. Res. 588, to provide immediate appropriations to Government civilian agencies of up to 50% of the amounts set forth in the Budget estimates for 1959 for the objects "Supplies and Materials" and "Equipment" in order to accelerate planned procurement programs. This measure will now be sent to the President. pp. 6081-85
3. WOOL. The Agriculture Committee reported with amendment S. 2861, to extend for 4 years additional the National Wool Act (S. Rept. 1460). p. 6024
4. PACKERS. The Agriculture and Forestry Committee ordered reported with an amendment in the nature of a substitute S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC. The "Daily Digest" states that "as approved by the committee the bill would contain language providing concurrent jurisdiction for a period of 3 years of the FTC and Department of Agriculture over wholesaling and retailing of meat and meat products." p. D324
Sen. Holland stated that the bill will be reported by the Committee Tues., Apr. 22. pp. 6096-97
Sen. Watkins inserted the testimony of the Chairman of the Federal Trade Commission before the Jt. Judiciary and Agriculture and Forestry Committees in favor of the enactment of S. 1356. pp. 6108-09
5. FARM PROGRAM. Sen. Knowland inserted the Secretary's letter to him setting forth certain facts regarding the agricultural situation for the use of Congress in considering agricultural legislation. pp. 6040-41
6. COMMITTEE ASSIGNMENTS. Sen. Proxmire was excused from further service as a member of the Post Office and Civil Service Committee and assigned to the Agriculture and Forestry Committee. pp. 6017-18
7. SOIL BANK. Sen. Nueberger expressed concern over "the 67 farm producers who last year received more than \$50,000 apiece in Soil-Bank payments through the acreage reserve program," and inserted a list of producers who received more than \$50,000 under the 1957 acreage-reserve program. pp. 6068-69
8. SCHOOL LUNCH. Received from the Calif. Legislature a resolution favoring increased appropriations for the school lunch program. p. 6020
9. PERSONNEL. The Foreign Relations Committee reported without amendment S. 3195, to authorize certain retired personnel of the U. S. Government to accept and wear decorations, presents, and other gifts from certain foreign countries. (S. Rept. 1439). p. 6023
10. ELECTRIFICATION. Sens. Thye and Humphrey inserted a resolution from the Kandiyohi Cooperative Electric Power Assoc., Willmar, Minn., criticizing "the movement to attach higher interest rates for the borrowing of money" by REA coops. pp. 6021, 6023

Daily Digest

HIGHLIGHTS

Senate passed Agriculture appropriations and advance procurement appropriations bills, clearing latter for White House.

House passed 23 miscellaneous bills.

Senate

Chamber Action

Routine Proceedings, pages 6018-6081

Bills Introduced: 27 bills and 2 resolutions were introduced, as follows: S. 3634-3660; and S. Con. Res. 83-84.

Page 6025

Bills Reported: Reports were made as follows:

H. R. 11767, fiscal 1959 appropriations for the Department of Agriculture and Farm Credit Administration, with amendments (S. Rept. 1438)—reported April 18, under prior authorization of Senate;

S. 3195, to authorize certain retired personnel of the U. S. Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries (S. Rept. 1439);

S. 2888, to provide for registration, reporting, and disclosure of employee welfare and pension plans, with amendments, and with individual and supplemental views (S. Rept. 1440);

Report of Select Committee on Small Business entitled "Merger and Concentration in the Trucking Industry," with individual views (S. Rept. 1441);

H. J. Res. 528, S. 292, 1782, 1975, 2497, 2997, H. R. 2935, 8239, 8348, S. 1248, 2940, 3007, H. J. Res. 527, S. 952, 2340, 2950, and 3019, private bills (S. Repts. 1442-1458, respectively);

S. J. Res. 159, authorizing the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship (S. Rept. 1459);

S. 2861, to extend for an additional 4-year period the National Wool Act, with amendment (S. Rept. 1460);

S. Con. Res. 84, private (S. Rept. 1461); and

S. Con. Res. 83, private (S. Rept. 1462).

Pages 6017, 6023-6024

Advance Procurement Appropriations: Senate passed without amendment and cleared for President H. J. Res. 588, advance procurement appropriations for fiscal year 1958.

Pages 6081-6085

Agriculture Appropriations: Senate passed with committee amendments H. R. 11767, fiscal 1959 appropria-

tions for the Department of Agriculture and Farm Credit Administration. Senate then insisted on its amendments to the bill, asked for conference with House, and appointed as conferees Senators Russell, Hayden, Hill, Robertson, Ellender, Young, Mundt, and Dworshak.

Pages 6089-6095, 6097-6101

Bill Indefinitely Postponed: S. 3619, national wilderness preservation system, was indefinitely postponed.

Page 6039

Meat Industry—Antitrust: By unanimous consent, time was extended to April 22 for reporting back with recommendations of Committee on Agriculture and Forestry S. 1356, to amend the antitrust laws by vesting in FTC jurisdiction to prevent monopolistic practices in commerce in the meat industry.

Pages 6096-6097

Printing: Senate resumed its consideration of S. Res. 281, to print as a Senate document the committee print entitled "Recruitment and Training for the Foreign Service of the U. S." This resolution had been displaced today when the Senate took up H. J. Res. 588, advance procurement appropriations.

Pages 6072-6073, 6081, 6101

Committee Assignments: Senator Proxmire was excused from service on the Committee on Post Office and Civil Service, and was assigned to service on Committee on Agriculture and Forestry.

Senator Clark was assigned to service on the Committee on Post Office and Civil Service.

Pages 6017-6018

Nominations: Senate received nomination of Walter R. Schreiber, of Maryland, to be member of U. S. Tariff Commission; 1 judicial; and 1 postmaster withdrawal.

Page 6110

Program for Tuesday: Senate adjourned at 5:14 p. m. until noon Tuesday, April 22, when its unfinished business will be S. Res. 281, to print as a Senate document the committee print entitled "Recruitment and Training for the Foreign Service of the U. S."

Pages 6101, 6110

Committee Meetings

(Committees not listed did not meet)

MEAT INDUSTRY

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported with an amendment in the nature of a substitute S. 1356, to amend the antitrust laws by vesting in the FTC jurisdiction to prevent monopolistic practices in commerce in the meat industry. As approved by the committee the bill would contain language providing concurrent jurisdiction for a period of 3 years of the FTC and Department of Agriculture over wholesaling and retailing of meat and meat products.

APPROPRIATIONS—AGRICULTURE

Committee on Appropriations: On Friday, April 18, committee, in executive session, ordered favorably reported with amendments H. R. 11767, fiscal 1959 appropriations for the Department of Agriculture and Farm Credit Administration. As approved, the bill would provide a total of \$3,207,973,039, a decrease of \$9,015,500 from the House-passed total of \$3,216,988,539.

APPROPRIATIONS—PUBLIC WORKS

Committee on Appropriations: Subcommittee continued its hearings on fiscal 1959 budget estimates for public works, with testimony from Maj. Gen. W. A. Carter, Division Engineer, Lower Mississippi Valley Division, and Maj. Gen. G. E. Galloway, Division Engineer, Missouri River Division, both of the Corps of Engineers, Army.

On Friday, April 18, testimony was heard from Maj. Gen. L. J. Rumaggi, Division Engineer, North Central Division.

Hearings continue tomorrow.

MILITARY PAY

Committee on Armed Services: Military Pay Subcommittee ordered favorably reported to the full committee, with amendments, H. R. 11470, to adjust the method of computing basic pay for officers and enlisted members of the uniformed services.

SMALL-BUSINESS FINANCING

Committee on Banking and Currency: The Subcommittee on Small Business began hearings on pending small-business financing legislation (S. 2160, 2185, 2286, 3191), and a committee print), having as its witness William McC. Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System. Mr. Martin summarized a study which is being made by the Federal Reserve Board, and recommended a Federal program for long-term financing of small business.

Hearings continue tomorrow when SBA Administrator Barnes will be heard.

D. C. UNEMPLOYMENT COMPENSATION

Committee on the District of Columbia: Subcommittee on Public Health, Education, Welfare, and Safety held hearings on S. 1214, 2419, and 3493, bills to amend the D. C. Unemployment Compensation Act, with testimony from Robert E. McLaughlin, President, D. C. Board of Commissioners; Louis Mackall, Jr., D. C. Unemployment Compensation Board; Walter Mason, AFL-CIO, who was accompanied by his associates; Frank Gunther, Washington Board of Trade; Arthur C. Smith, Jr., D. C. Trucking Association; J. F. Fort, American Trucking Associations, Inc.; and Maurice G. Long, Laundry & Dry Cleaners Association of D. C. Several statements were filed for inclusion in the record, including one by Senator Beall, of Maryland.

Subcommittee announced that hearings on this matter were concluded, but the record will remain open through Wednesday, April 23, for inclusion of additional written material.

FINANCIAL INVESTIGATION

Committee on Finance: On Friday, April 18, committee continued its financial investigation hearings, having as its witness Dr. Sumner Slichter, Lamont University professor, Harvard University.

Hearings continue tomorrow.

UPPER COLUMBIA RIVER

Committee on Interior and Insular Affairs: Committee began hearings on the subject of upper Columbia River development, having as its witness Frederick Jandrey, Deputy Assistant Secretary of State for European Affairs, who was accompanied and assisted by his associates.

Hearings continue tomorrow.

PUBLIC LANDS

Committee on Interior and Insular Affairs: On Friday, April 18, the Public Lands Subcommittee ordered favorably reported to the full committee S. 3371, to increase from 20 to 30 years the period for which concessionaire leases may be granted under the National Park Service Act. Prior to this action, hearings were held on this bill, with testimony from Representative Metcalf; Hilmer Oehlmann, Western Conference of National Park Concessioners; Hugh D. Galusha, attorney for the Yellowstone Park Co.; Leslie Scott, of the Fred Harvey Co., Chicago; Don Hummel, Lassen National Park Co., Tucson, Ariz.; and Jackson Price, Assistant Director, National Park Service, who was accompanied by his associates.

AUTO MARKETING

Committee on Interstate and Foreign Commerce: Subcommittee held hearings on S. 3500, to require the full and fair disclosure of certain information in connec-

position of having made a State contribution to quarantine work. For some reason, Florida decided that it wanted to spend the money for something else, so the Federal Government, with thanks to Florida for what it has done in the past, has agreed to defray the costs of inspection in Florida, as well as everywhere else.

Mr. HOLLAND. I thank the Senator from Georgia, particularly for the twinkle in his eye, because Florida was one of the two States which paid any part of the quarantine-inspection service heretofore.

Particularly since Florida was putting up \$3 million of its own money for the eradication of the screwworm, we felt justified in asking to be relieved of the relatively minor item of \$25,000, which we had gladly paid before.

I thank the chairman of the subcommittee for his great sympathy for and understanding of our problems.

Mr. DIRKSEN and Mr. MUNDT addressed the Chair.

The PRESIDING OFFICER. Does Senator from Georgia yield; if so, to whom?

Mr. RUSSELL. I yield first to the Senator from Illinois, who was first on his feet; at least, I think he was; if the Senator from South Dakota rose first, I did not observe him.

Mr. DIRKSEN. Ever since I can remember, the very distinguished senior Senator from Georgia—I have known him for almost 25 years—he has been either the chairman or the ranking member of the Subcommittee on Agriculture Appropriations. I recall those delightful days when he and I were opposite numbers; when I was the chairman of the subcommittee in the House, and he was the chairman of the subcommittee in the Senate. With the passing of the years, he has developed a grasp of this whole subject which is probably unequalled by any other Member of the Senate or the House. He presides with rare grace and impartiality, and approaches his responsibility in a judicial fashion. I would be less than candid, and I think I would be recreant in my duty, if I did not compliment him for the splendid work he has always done in the field of agriculture.

If the Senator from Georgia does not mind, I wish to say something about our clerk. No one realizes the amount of work which the clerk does in assembling data, verifying figures, developing precise lists, and making them infinitely easier for Senators to examine in the subcommittee, and then in the full committee, so that we can get an excellent estimate of every item in the bill.

So I compliment Mr. Ray Schafer, the clerk of the subcommittee, who has spent long hours on what are not the easiest chores in the world. I have some notion of how hard the clerks of the committee work, so I compliment Mr. Schafer. I think I should thank him also for the gracious way in which he has always run down information and data whenever it has been requested.

In addition, long hours mean nothing to him. He has telephoned me many times after hours in order to verify something in the report or in the bill.

So I bestow an accolade on him now while I compliment our distinguished chairman, also.

Mr. RUSSELL. I am profoundly grateful to the Senator from Illinois for his commendatory references to the Senator from Georgia. Of course, the Senator from Illinois is a repository of knowledge in this particular field, because he handled the agriculture appropriation bill in the other body for many years. I personally thank him for his diligent attendance upon the sessions of the subcommittee.

On behalf of our very efficient clerk, who is not permitted to express himself on the floor of the Senate, I say, "Thank you for your very justified commendation of his fine service. I associate myself with all you have said."

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MUNDT. First, I associate myself with wholehearted emphasis in everything said by my distinguished colleague from Illinois. It is a priceless pleasure to work in the committee room with the distinguished senior Senator from Georgia, who has a vast knowledge of agricultural problems, and who applies himself to their solution without partisanship.

I think that no Member of the Senate who is informed on agricultural problems demonstrates any better than does the Senator from Georgia the fact that these are economic rather than political problems. The Senator from Georgia seeks to cure them with economic rather than political solutions.

Mr. President, will my colleague from Georgia be so kind as to yield to me for 2 or 3 minutes, without losing the floor, so that I might discuss another matter?

Mr. RUSSELL. I thank the Senator from South Dakota for his comment, and I express to him my appreciation for his very valued service on the subcommittee. He has been most helpful in the hearings, and particularly in the mark-up of the bill.

Mr. AIKEN. Mr. President, if I may add a word, I think the chairman and the other members of the Subcommittee on Agriculture appropriations, the full committee, and the staff, as well, did a good job.

Mr. RUSSELL. I thank the Senator from Vermont. I appreciate his statement.

In the more than 20 years during which I have been privileged to be the chairman of the subcommittee, I have never seen any evidence of partisanship from Senators on the other side of the aisle or on this side of the aisle. If any single measure has been handled from year to year with the aim of undertaking to serve the group of people to whom we are responsible, it has been the agriculture appropriation bill. I have never seen any evidence of partisanship.

I yield to the Senator from South Dakota.

AUTOMOBILE PRICES

Mr. MUNDT. Mr. President, I call the attention of the Senate to a bulletin which has just come from the news

ticker, and which is both encouraging and alarming. The news bulletin, which is a United Press dispatch, reads:

The American Automobile Association today endorsed legislation to require labels on new automobiles to show their exact prices.

Ross D. Netherton, legislative counsel for the Triple-A, told a Senate commerce subcommittee there is "a definite need for more complete disclosure of information about the elements of cost involved in the purchase of automobiles, and a particular need for presenting this information in a form which makes it readily available to both buyer and seller, on an equal basis, as they negotiate with each other."

Netherton said "efforts to achieve this objective are clearly in the public interest."

The AAA official and John L. O'Brien, president of the Akron, Ohio, Better Business Bureau, were the first witnesses as the Subcommittee on Automobile Marketing opened hearings on a bill to require the price labeling.

The measure is sponsored by Chairman A. S. MIKE MONRONEY (Democrat, Oklahoma) and Senator STROM THURMOND (Democrat, South Carolina).

O'Brien and Netherton both contended that some method is needed for enabling a buyer to find out exactly what the car he wants to buy will cost.

At the outset, MONRONEY said buyers today can find out everything about a car except what it costs.

Remedying the situation is important, he said, because "no industry has a greater bearing on American prosperity and the current recession than the automobile industry."

Mr. President, that is both encouraging and alarming. It is encouraging, because I quite agree with the contention that one of the reasons for the slump in automobile sales is the normal, natural reluctance on the part of the buying public to buy a cat in the bag without a price tag on the bag. This situation should be corrected.

It disturbs me, however, to contemplate that political paternalism may have developed in this country into such a large concept that the powers of Congress must be utilized in order to put prices on automobiles so that they may be sold to the general public. It seems to me that if we have reached the stage where the normal prudence and good judgment of the automobile manufacturers and dealers is such that they refuse to give information to the public concerning the value of the product which they sell, and it becomes necessary for Congress to legislate on the subject, we have moved a sorry step and a long one in the direction of some kind of government authoritarianism.

I believe that the so-called economic recession in which we find ourselves is largely made in Detroit. I believe it is largely an automotive recession. I believe it is an automotive recession which grows out of the fact that the American public is not buying the 1958 cars in the way in which they were expected to buy them or the way in which it was hoped they would buy them. As a consequence, that gigantic and very strategic industry in the United States has been slowed down; and as it has been slowed down, it has slowed down, in turn, a great many suppliers of the automotive industry around the nation.

It seems to me something should be said to the automotive industry in the

direction of getting them to clean up their own house, without having to ask Congress to pass a bill to require the manufacturers of Fords, Chryslers, Buicks, and other cars to put price tags on their automobiles.

I believe there is certainly a great deal of legitimacy in the contention of the witnesses that the reason why the automobiles are not being sold is that a buyer, especially in a large city, is afraid to spend his money for an automobile because he realizes that if he goes to another dealer, down the street, the latter will ask for the same car \$400 more or \$500 less, and so forth. On the other hand, in the good, old-fashioned days, when automobiles really were sold, they were advertised f. o. b. Detroit at a certain price, and thus the purchaser had some idea of what a fair price was.

But today when an American goes to an automobile dealer, to write a check for \$3,000, \$4,000, \$5,000, or \$6,000 for an automobile, the purchaser does not like to be compelled to buy his automobile on the same basis on which he would purchase a copper kettle in an oriental bazaar. In the latter case, a purchaser expects to have to dicker and bargain, and expects that the asking price will have little relationship to the sale price. Many of us have had the experience of going to an oriental bazaar and trading and dickering until finally a meeting of the minds was reached. That is all right if one is prepared to spend \$10 at an oriental bazaar, during the course of one's travels. But it is not all right when one is preparing to spend thousands of dollars for the purchase of an automobile.

I agree that the purchasing public has a right to know what an automobile will cost. I agree that something is wrong when I was told that a prospective purchaser of an automobile in Washington went to five different dealers and was quoted five different prices for the same model of automobile. He decided not to buy an automobile in 1958; he did not know who was trying to gyp him or who was trying to give him a bargain. So he continues to drive his old car.

If the automobile manufacturers are interested in the sale of automobiles and in stimulating the Nation's economy, I believe they should decide, once again, to advertise the price of the various models f. o. b. Detroit, so that the prospective purchasers will be able to know what the automobiles are worth. Then the dealers will have some basis on which to quote prices to the purchasers, and the purchasers will have some basis on which to know how much the automobiles will cost them.

I believe it is important that the automobile industry be stimulated, and I believe stimulation of the automobile industry can help stimulate economic recovery and prosperity, and can produce jobs all over America.

But it is very difficult to induce John America, when purchasing so expensive an article as an automobile, to make the purchase blind.

This morning one of my friends who lives in the Midwest, and who at this

time is in Washington, D. C., and is interested in buying an automobile, told me he was afraid to buy an automobile in Washington, D. C., because, when he went to an unknown, big-city automobile dealer, he had no idea whether the price the dealer would charge for a Buick, a Mercury, or a Chrysler would be \$500 too much or \$200 too little or "on the nose." On the other hand, he can go to his hometown, where he knows his automobile dealer intimately, and where both of them belong to the same Rotary Club, and can visit with him, get his friendly personal guidance, and can obtain a square deal.

Mr. President, to hide the price from the purchasers and to give them no idea of what the automobiles will cost, is no way to encourage the purchase of automobiles.

On the other hand, I do not think the proper course is to request Congress to pass a bill to compel that prices be placed on the automobiles by Federal law.

Mr. President, at one time we had a long debate on a so-called fair-trade bill, as it was called. Druggists, hardware dealers, clothiers, and department-store managers thought it would be a good idea to have the Congress enact into law a bill which would compel them to put the prices on the various commodities they sell, and then deny them the privilege of selling the articles below those advertised prices. The situation then existing gave rise to much confusion and much opposition on the part of wholesale houses to the marketing practices then current. That situation afforded opportunity for much evasion. But I think that is a far cry from the situation existing today in the automobile business, in which the manufacturers do not put a firm price on any automobile, and the potential purchaser has no way of knowing whether he is getting a bargain or whether he is getting taken for a hay ride.

Mr. President, I hate to see the Congress have to move so far in the direction of a paternalistic government that, in order to stop such a practice, the Congress will find it necessary to pass a law which will require that price tags be placed on automobiles. The next step would be the enactment of a law to provide the amount that could be offered for secondhand automobiles, to limit profits, or to specify service requirements.

Mr. President, this situation could be corrected at a luncheon of the automobile manufacturers in Detroit. All they need to do is to start advertising prices f. o. b. Detroit in the manner they did when the automobile industry was enjoying its greatest growth.

I believe the Congress has more important business than the enactment of such legislation. But I certainly agree with the witnesses whose testimony clearly indicates that one of the major reasons—and perhaps the major one—for the decline in the sale of automobiles is the failure of the manufacturers to make an honest declaration of what their merchandise is actually worth. Surely this should be corrected without the necessity of an act of Congress.

AMENDMENT OF THE PACKERS AND STOCKYARDS ACT

Mr. HOLLAND. Mr. President, will the distinguished senior Senator from Georgia yield to me, in order that I may submit a matter which is not related to the agricultural appropriation bill?

Mr. RUSSELL. I yield.

Mr. HOLLAND. Mr. President, on March 24 the Senate entered an order, by unanimous consent, at the direction of the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], which referred to the Committee on Agriculture and Forestry and the Committee on the Judiciary, Senate bill 1356, a proposed amendment of the Packers and Stockyards Act. The order contained the following direction:

With instructions that Senate bill 1356 be reported back to the Senate Calendar with the recommendations of the Committee on Agriculture and Forestry not later than Monday, April 21, 1958—

Which is today.

Mr. President, since the distinguished Senator from Maine, the ranking minority member of the committee, is now in the Chamber; and since he understands perfectly the situation; and since the distinguished chairman of the committee, the senior Senator from Louisiana [Mr. ELLENDER], has requested me to handle the matter; I wish to bring it up at this time.

The committee conducted hearings. The committee has directed that the bill be reported to the floor of the Senate with the recommendations of the Committee on Agriculture and Forestry.

It happens that the matter is a somewhat complex one; and the legal staffs of the Committee on Agriculture and Forestry and the Committee on the Judiciary, assisted by legal representatives from the Department of Agriculture and the Federal Trade Commission, are now drafting the proposed report, which apparently will not be here during the time the Senate is in session today.

With that predicate, I ask unanimous consent that since the labors of the committee have been fulfilled, that the Senate grant the Committee on Agriculture and Forestry an extension until the session on tomorrow, April 22, of the time in which it is to file its report and recommendations.

Mr. AIKEN. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Maine.

Mr. AIKEN. Mr. President, if the Senator from Florida will kindly move me back to Vermont, I shall be very glad to join in the request he had made. [Laughter.]

Mr. HOLLAND. Mr. President, I shall be very glad to "move" the Senator back to the State which contains such wonderful apple orchards as does the State in which the Senator makes his home.

Mr. AIKEN. Of course, Maine is a wonderful State, and Maine has two wonderful Senators in this body. But I

still like Vermont just a little better. [Laughter.]

Mr. HOLLAND. Mr. President, I apologize to the distinguished Senator from Vermont, and also to the distinguished Senators from Maine, neither one of whom happens to be on the floor at this time.

I wanted the Senator to be present, so that if he wished to make any amplification or correction of my statement, he would have an opportunity to do so.

I now ask unanimous consent that the report which contains the recommendations of our committee may be filed tomorrow, rather than today, as directed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Georgia for yielding to me.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. If there be no amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. NEUBERGER. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. NEUBERGER. Some remarks were made earlier on the Senate floor by Senators from some of the great farming States, expressing gratification and approval over the fact that the committee has made merited and justifiable increases in funds provided for the eradication of brucellosis. Because this has been a major and very alarming problem in my State, I should like to concur in those expressions of approval.

In a number of counties in Oregon, a splendid beginning has been made with respect to the eradication and control of brucellosis. With Federal funds decreased, this great progress would be wiped out and the advances would deteriorate. For that reason, I desire to thank the committee for the increases which have been provided for the eradication of brucellosis, which is such a critical problem wherever cattle are raised.

There is one other matter about which I should like to ask the chairman of the subcommittee. I have had a great deal of correspondence with leaders in conservation, agriculture, marketing, education, forestry, and research in my State about appropriations for State experiment stations. I have a number of comparatively brief letters on the subject, and I ask unanimous consent that they appear in the RECORD at this point.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

OREGON WILDLIFE FEDERATION,
April 11, 1958.

HON. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR NEUBERGER: We are concerned over the possible effect of H. R. 11767—the appropriation bill for the Department of Agriculture.

As you know, this bill contains some provisions modifying the Soil Bank Conservation Reserve Act. I expect we will all agree there are some bad features in this act. On the other hand, there are some good features that as yet have had little chance for proper evaluation.

We hope the Senate will do its best to preserve the features of this act which would perpetuate vital marsh areas and wildlife food and cover plantings which might be largely nullified by the language of H. R. 11767.

Yours sincerely,
CHARLES S. COLLINS,
Executive Vice President.

AMERICAN POTASH INSTITUTE, INC.,
Portland, Oreg., March 31, 1958.
The Honorable RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Recently I have had the opportunity to review the total soils and water research program for the State of Oregon, and it is apparent that without the Federal grant-in-aid of \$6 million to the experiment stations, the program of soils and water is quite inadequate in this State.

Since soils and water are basic to agriculture and forestry, which in turn are the mainstay of our economy in the State, and since further knowledge in regard to better utilization of our soils and water will enhance the economy in our State, I do not believe a long dissertation on the importance of this subject is necessary at this time.

It is my understanding that even though the past appropriation of \$6 million for grants-in-aid to the Oregon experiment stations was omitted in the Presidential budget, it is possible to have these funds restored to the budget through committee action. I wish to strongly urge that such action be taken to restore these funds.

Yours truly,
GRANT H. BRAUN,
Chairman, Soil Improvement Committee.

CASCADE TRACTOR & IMPLEMENT CO.,
McMinnville, Oreg., April 4, 1958.
HON. RICHARD L. NEUBERGER,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: As farm equipment dealers in the Willamette Valley of Oregon, we have definite interest in the affairs of our local agriculture, and a sincere understanding of the problems of soil conservation research, we wish to appeal to you for some special consideration concerning research in our State.

Being as close to agriculture and the local farm picture as we are, we fully realize and are quite sure you do, too, the importance of continuing development in the research program on soil and water, seed cleaning, and drainage. It is our understanding that some additional funds at this time could greatly enhance the State's research program, particularly in the categories listed above.

Any consideration and efforts which your office can direct toward some additional moneys for the above-mentioned research work will certainly mean a lot toward the development of Oregon State agriculture.

Yours truly,
ROBERT M. MORGAN, Manager.

UMATILLA CANNING CO.,
Milton-Freewater, Oreg. March 25, 1958.
HON. RICHARD L. NEUBERGER,
Senator of Oregon,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We have learned today that there is a bill coming up before the Senate that will provide Federal funds for State experiment stations. We are not familiar with the background of this bill, and if the funds are to be used for the assistance in marketing, we certainly feel there is a need. If the funds are to be used to show farmers how to produce more, we're not so sure.

It might be in order at this time to re-emphasize our position here in the Northwest. We seem to have very few production problems, but we certainly have more than our share of marketing problems. This has been multiplied many times by two factors. One is the increased costs of transportation which has eliminated us from many of the Nation's markets. The second factor is that many of the customers on the East Coast that formerly looked to the Northwest as a source of supply are now able to purchase their needs closer to home.

An example of this is apples. During the past few years, new modern methods of production and handling that were originated in the West have been developed in the Midwest and Eastern parts of the Nation and our advantages are gone. Another example would be green peas. For several years, our industry in the Northwest led the Nation in the development of mass production techniques for the production and processing of both canned peas and frozen peas. Methods that we originated are now being adopted throughout the Nation and here again, our advantages are lost.

I'm sure that we could go on and on with many other examples, but you are no doubt very familiar with these problems. What we should discuss is a means to find new ways to market the commodities that we can produce on these lands in the Northwest.

Many of us feel that our grain must be converted into meat or into commercial products other than foods. A few weeks ago we requested that our State college provide us with an expert in the marketing field to show us how we might better market meat produced with northwestern grain. It seems very possible that we could increase the consumption of meat if we could learn to produce it cheaper through the utilization of more of our byproducts.

We are enclosing a report from some of our recent feed trials that indicates that substantial savings can be made in producing meat where byproduct feeds are used wisely.

The problem now comes in marketing. The problem of finding new uses for agricultural commodities has been discussed at every farm organization meeting for many years. It seems to be our number one perennial problem and the only answer to date is simply, more research.

We are already sure of your support on this vital matter and we wish to be on record as supporting you 100 percent.

With kindest regards,
Yours very truly,
W. S. MILLER, General Manager.

P. S.: This same letter is being sent to Senator MORSE.

PORTLAND, OREG., March 27, 1958.
HON. CLARENCE CANNON,
Chairman, Appropriations Committee,
House of Representatives, Washington, D. C.

DEAR MR. CANNON: The Oregon Division of the Izaak Walton League of America urges that favorable consideration be given to the request for \$6 million increase in grants to the State experiment stations for research

in agriculture and forestry, as proposed before the House Appropriations Subcommittee.

An increase in funds is vitally needed to strengthen existing research at Oregon State College in water use and conservation. I understand that Oregon's share of this increase would be about \$100,000.

Farm fishing ponds are now being used in Oregon and Washington to raise silver salmon fry to a size when they can be released to the ocean via streams. The Alsea River watershed studies are a unique piece of research, which is not being done any other place in the United States. It comprises studies of effects of logging and farming in relation to siltation and fish life. Both projects are well underway, but more funds are needed to bring the studies to a conclusion.

Currently, the department of fish and game management at Oregon State College, with some funds from the Oregon Agricultural Experiment Station, is conducting studies in water-pollution problems (marine and fresh water) and farm fishponds; and actively cooperating in the Alsea Basin study.

We are constantly looking for more research in conservation problems. We have the trained personnel in Oregon with the ideas, imagination, and desire to work. We hope that your committee will look favorably on this request.

Very sincerely,

A. J. KREFT, M. D.,
State President, IWLA.

CORVALLIS, OREG., March 24, 1958.

Dr. A. J. KREFT,
President, Oregon Division, Izaak Walton League of America,
Portland, Oreg.

DEAR DR. KREFT: We would appreciate having your assistance in recommending to members of the Oregon congressional delegation that they support the \$6 million increase in grants to the State experiment stations for research in agriculture, forestry and home economics, as proposed before the House Agricultural Appropriations Subcommittee. Although Oregon's probable share would be about \$100,000 from the proposed increase, a portion would be used to strengthen existing research at Oregon State College in water use and conservation.

Currently, the Department of Fish and Game Management here at the college, operating on funds from the Oregon Agricultural Experiment Station, is conducting studies in water pollution problems (marine and fresh water) and farm fish ponds; and is actively cooperating in the Alsea Basin study. Additional research funds are greatly needed in these areas.

We are enclosing a suggested telegram which you might send. Please feel free to change the wording and to select the Congressmen to whom it should be sent.

Andy Landforce joins us in soliciting your help. He had to leave town before this letter was typed, otherwise he would have also signed.

Sincerely,

R. E. DIMMICK,
DONALD W. CHAPMAN.

HOOD RIVER FARM BUREAU,
Hood River, Oreg.

Whereas research is vital to the very life of agriculture; and

Whereas funds for research in agriculture have not been sufficient in the past years; and

Whereas both parties had expanded agricultural research in their national program: Therefore, be it

Resolved, That the Hood River Farm Bureau, at its regular monthly meeting, March 24, 1958, go on record as urging the Congress of the United States to reinstate the planned appropriation of an additional \$6 million annually for 5 years to the appro-

priations to the Hatch Act; and be it further

Resolved, That a copy of this resolution be sent to our Senators and Representatives and to the chairman of the Senate Subcommittee on Agriculture and to the chairman of the House Subcommittee on Agriculture.

GERHARD WERTGEN, President.

JOHN W. ARENS, Secretary-Treasurer.

Mr. NEUBERGER. Mr. President, the gist of these communications can best be epitomized by a telegram I have received on this subject from Mr. Larry Williams, president of the Oregon Agricultural Research and Advisory Committee. The telegram is brief, and reads as follows:

The Oregon Agricultural Research and Advisory Council urges your vigorous support of \$6 million increase in grants to State experiment stations for research in agriculture, forestry, and home economics as proposed in March 11 hearing before House Agricultural Appropriation Subcommittee. Research has been neglected.

An \$80 million labor payroll in Oregon is completely dependent on maintenance of a healthy agricultural industry. Supporting material will follow via airmail.

In addition, when I was in Oregon recently during the Easter recess of Congress, I had an extended and very informative discussion about this problem with Dr. R. W. Henderson, who is the able Acting Director of the Oregon Agricultural Experimental Station at Oregon State College, Corvallis, where so many epochal and important experiments have been carried on in the field of farming, marketing, and agriculture. I should like to ask the distinguished Senator from Georgia what happened to this urgent request? What was the action on the proposed \$6 million increase in grants for State experiment stations?

Mr. RUSSELL. I may say to the distinguished Senator from Oregon that, of course, he knows the committee allowed \$1,200,000 above the budget estimate for this very important activity.

Mr. NEUBERGER. I am aware of that, and grateful for it.

Mr. RUSSELL. I may say to the Senator that last year identically the same request was made. We undertook to increase the item in the Senate, and we allowed an additional \$1 million. When we got into conference we almost lost the whole item by insisting on the \$1 million, and had to take a reduction in order to avoid losing the entire item.

The Senator, of course, is aware of the fact that there is a considerable difference in the two Houses of Congress with relation to activities of this kind. Every Senator has in his State agricultural activities, land-grant colleges, State experiment stations. When we consider the other body of Congress, whose approval is necessary before an appropriation can be had, we find that only about 25 percent of the Members there have located within their districts any of those activities, and about half of the Members have very little interest in agricultural, except objectively.

We have learned from experience in the past that if we ask too much for a certain item, it can mean almost certain death for that particular item. If we asked for a reasonable amount, we can generally come out of conference with some increase.

I point out to the Senator that we have not neglected this work.

Mr. NEUBERGER. I realize that.

Mr. RUSSELL. There has been no item of appropriation in the bill that has had a greater increase since 1952 than the State experiment-station item. In 1952 the appropriation for State experiment stations was \$12,670,308. For the year 1958 the appropriation was \$30,353,000. We have almost tripled the appropriation over the past 6 years. If all of the \$1,200,000 increase stays in the bill that will be finally enacted, we shall have tripled the appropriation over the past few years. That represents a substantial increase.

I do not know of any activity of Government that justifies an appropriation more than does State experimental work; but in the light of all the circumstances as they appeared to the committee—and we all have a great interest in this subject—we decided that an increase of \$1,200,000 was about the safest amount we could expect to have adopted.

With respect to the extension service item, we have increased it \$3 million, which is half of the request. I hope when this bill is finally presented to the President and signed, we shall have a substantial part of those two items in the measure.

Mr. NEUBERGER. It is my hope these increases which the Senator from Georgia and his associates in committee have so wisely provided for the Extension Service and for the State Experiment Stations can be held in conference. I can appreciate that sometimes if one tries to reach for too much, like the dog that saw the bigger piece of meat in the water, he will be in peril of losing everything he might otherwise have had.

Mr. RUSSELL. We have found that from experience.

Mr. NEUBERGER. Of course, I lack the long experience of the Senator from Georgia, and I have had none of his experience on the Appropriations Committee.

I wanted to ask one further question of him, however, because I think our people at home tend to become discouraged when they seek a \$6 million increase for State Experiment Stations and then see an approval of only \$1,200,000, and they then realize that not all of that amount may be held in conference. Does the Senator from Georgia, who is the leader of the bill on the floor, realize that the pressure, if I may call it that, which we receive from deans of agricultural colleges, leaders in forestry and agriculture, and from marketing groups is vital even to the modest increases we hope to make each year, as the years go by?

Mr. RUSSELL. Of course, the deans of the agricultural colleges and the heads and directors of the State Experiment Stations naturally ask for the amount they believe necessary. I would be less than frank if I did not say I think the heads of the land-grant colleges should be highly pleased if we come out with the increase the Senate committee has provided.

Mr. NEUBERGER. I want to thank the Senator from Georgia for the ex-

2. "Size Up the Situation and Plan Your Course of Action. Avoid Panic and Use Your Head."

3. "If They Can Do It, You Can, Too."

4. "Take Inventory Yourself, Don't Let George Do It. It Is You Who May Be Cold and Hungry."

B. We can learn to survive by accepting the cost of a crash military program

As the survival pamphlets urged, in a crisis we should size up our situation, plan, avoid panic, take inventory, and act to meet the difficulty.

A quick inventory of our military situation reveals an immediate objective and many more remote objectives. The immediate objective is a crash program in nuclear-weapon development.

Such a crash program demands, first, that the cost, in time and money be willingly accepted by the American people; yet at the same time the program must be better organized, streamlined, given unity of purpose and command, greater cooperation between military agencies and less destructive competition.

Neil McElroy is the Secretary of Defense, with James T. Killian, former president of Massachusetts Institute of Technology, in charge of all missile research. The Army has taken great steps forward in this direction by placing its research program under Dr. Wernher von Braun. The Navy has its research efforts under the direction of Dr. John Hagen and the Air Force program is under Gen. Bernard A. Schriever.

The appointment of Dr. Killian as the President's personal missile coordinator and adviser underscores the President's determination to retain personal control and direction in our missile-development programs.

There are some who advocate establishment of a missile czar. The President, it appears, thinks that this authority is now vested properly in the Secretary of Defense and to create a new position would be to place these two high offices in conflict.

The crash program has already borne fruit in the successful launching of Explorer I and III and the Vanguard. Top scientists told me last October that this could have been done 2 years ago. Furthermore, that we can send a missile to the moon. The President gave researchers the go-ahead on the missile-to-the-moon project last month. These tremendous forward steps are decidedly reassuring and only a token of what we might expect in the near future.

Another phase of the crash program is a defense against nuclear-powered submarines and a more powerful offensive of our own. At the present time Russia has approximately 300 conventional submarines—twice the number Germany had at the beginning of World War II. They are said to have the capability of launching a missile warhead a distance of 200 miles. (This is one reason why we have Thikol and Marquardt plants in Utah—800 miles from the coast.)

Defense planners are learning to meet this threat not only through defensive submarines but through a fleet of offensive atomic submarines which can be hidden under the polar icecap and bids well to be a weapon that will stop Russia. If the enemy should fire on us and manage to destroy us, which is unlikely, he knows he would be inevitably destroyed by our missile-launching bases hidden under the polar icecap where he cannot destroy them. We have several atomic-powered submarines carrying regular-type missiles which are now in operation—three which Congress just authorized which will carry the Polaris-type 1,500-mile missiles. A total of 22 nuclear-powered submarines either have been built or are being built.

Among these 22 nuclear submarines is the *Nautilus* in successful operation for over 3 years which completed last year the first

successful extensive underwater exploration of the Arctic icecap. We believe that American progress in this field has far more than offset any Russian submarine threat.

Of course much of America's power of mass retaliation which holds Russia in check is the Strategic Air Command with its bases entirely encircling the Soviet Union. This command is being strengthened and is constantly on the alert. We now need successful interceptors of guided missiles.

C. We can learn to survive by appropriating money for weather control research

A half dozen of us Members of Congress submitted bills appropriating money for weather control research. I believe that we have converted the Appropriations Committee in the House of Representatives to the need for such legislation.

Man has already learned to seed clouds in the mountainous areas and reduce lightning over forests. Eminent scientists believe that it is within the range of possibility for man to also learn to control global weather patterns.

I was invited to the White House when Capt. Howard T. Orville, Chairman of the President's Advisory Committee on Weather Control, submitted his committee report to the President. Captain Orville told me that in his opinion weather research outranks in importance the hydrogen bomb and earth satellites.

If the Russians beat us to the punch on learning how to control the natural laws covering weather changes, they could conceivably produce a drought over the entire country or a disastrous flood. For example, the Russians are now spreading pigmented dust which absorbs heat from the sun and melts the snow. Someday lampblack or a dust might be used to melt the polar icecap flooding our coastal areas.

Last Christmastime the Russians offered to join with the United States in turning the frozen Arctic Ocean into a warm water lake by melting the polar cap and building a dam to redirect the Pacific current. (Of course, it is inconceivable to think that the *Nautilus* is the inspiration for this offer of warm cooperation.)

I predict that if weather control legislation is passed, it will not be more than a year or two before weather research will prevent thunderhead clouds from gathering over the United States forests, eliminate lightning and thereby prevent 70 percent of our forest fires. We could have Thor's mythical hammer on a leash.

D. We can learn to survive by pooling our scientific information with friendly nations

We need the legislative machinery that will allow us to share and receive scientific and technological information from friendly countries.

There are now artificial barriers to sharing which should be destroyed.

It is a waste in the extreme for friendly allies to consume talent and money in solving problems that their friends have already solved.

The United States cannot afford to cut itself off from the brilliant minds and talents of scientists in friendly nations abroad.

The myth of American superiority in all things scientific was shattered last fall with Sputnik I and a check of the names of the great scientists who helped us develop the Hiroshima and Nagasaki bombs, radar and other scientific wonders will further dispel the myth.

The President in his state of the Union address noted, "The task ahead will be hard enough without handcuffs of our own making."

Groundwork for this type of cooperation has already been laid in discussions with our NATO allies.

E. We can learn to survive by strong economic partnerships with our allies

Another way to learn to survive is through economic partnerships with our allies. There is no issue upon which our President, our Secretary of State and the leaders of both parties have spoken out more forcibly than upon reciprocal trade, the extension of which is threatened by opponents in Congress.

The Reciprocal Trade Act was started by Cordell Hull. It has been renewed 10 times; under it our exports have reached \$20 billion, and are rapidly increasing.

Our imports, on the other hand, are at least 33 percent less than our exports. America has an unbeatable capacity for production and we have the will to produce. At least 4½ million men are employed in our export trade, while estimates are that only 200,000 men are out of work on account of imports from foreign countries.

The President has now promised to use the perit-point procedure under an expanded escape clause to save hard-hit industries. This should help our lead, zinc, and possibly copper. To kill the Reciprocal Trade Act would cause us to lose many of our allies. They must have an outlet. If this outlet is not in America, it will be with Russia.

Russia is eager to import and export, but the Russia economic offensive is just a way of gaining control by exporting more communism than commodities. Speaker RAYBURN said, "In a world of ignorance deadly deception is fatal. Yesterday jobs hunted Americans but today Americans hunt jobs. We face a total competition that is unrelenting and deadly. No military weapons are successful if the Soviet Union can turn our economic flank."

Exports mean much to Utah's economy. Copper, steel, lead, and zinc go into the manufactured articles that are exported. America's chemical industry exports five times its imports. It alone exports more than all of Japan's exports. Utah exports coal, beef fats, and Utah's high quality wheat sells much above the price supports for all American wheat because of huge Government exports of wheat.

Destruction of reciprocal trade would not only destroy far more jobs than it would create but it would imperil national security by causing us to lose foreign bases that are the chief deterrents to Russian aggression. Disbursal of our military power is absolutely essential and we certainly need sturdy allies who live by our trade. They cannot buy American goods without American dollars. They cannot buy from us unless they sell to us. Our relationship will be either one of reciprocity or one of retaliation. If we allow it to become one of retaliation, the American employment and economy will be the biggest losers in the world. The losses in national security would be even more severe than any losses to our economy.

F. We can learn to survive by supporting and upgrading our school system

Alfred North Whitehead has said, "In the conditions of modern life the rule is absolute: the race which does not value trained intelligence is doomed. . . . Tomorrow science will move forward yet one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated."

Some suggested ways in which we might speed up this race for scientific supremacy and at the same time develop more enlightened citizens are as follows:

1. Decide now to have a far superior school system and declare our willingness to pay the price. The sacrifice would be small in proportion to the returns. For example, the automobile industry spends \$1½ billion every year to bring its new models with different colored paint and styling so the American

people will be enticed to spend 10 percent of their entire income for cars. If the money saved by bringing out a new model every second year, instead of every year, were given the public colleges and universities, it would increase their income by three-fourths.

2. Reorganize and streamline the present slow moving, ponderous school system. The consolidation of small, inefficient, expensive school districts would be a good beginning. Encourage American education to join together to form large research institutes and coordinate their research efforts. Make a pact with NATO for the exchange of certain scientific information.

3. Speed up the educational process by lengthening the school year on all levels (as they do in Europe) by using school buildings where necessary for more than one school shift (as they do in Russia) and by inviting gifted teen-agers and the unemployed to college adult evening classes.

4. Make the program tougher for the gifted students. While we cannot educate young people by merely scowling at them, I think Rousseau's advice to the young Emile is still good advice today. He said: "Work like a peasant and think like a philosopher." The president of Notre Dame says: "We have a cult of easyness. There is an easy way to cook a meal. There is an easy way to drive a car. There is an easy way to get a vacation. There is an easy way to pay your bills. There is even an easy way to save your soul."

5. Either improve the present school situation by eliminating some of the more enjoyable and time consuming offerings in favor of the more demanding mental disciplines or establish institutes which will challenge the gifted. (Some few of our leaders advocate special government schools for research, corresponding to the Air Force Academy, West Point, and Annapolis. The purpose of these schools would be to develop a new type soldier—the soldier of the slide rule to replace many of the musket-carrying type.)

6. Provide better counseling and guidance on both levels of the secondary school and at the university to screen out and give special encouragement to the diligent and the superior student.

7. Reverse the present trend where teachers and counselors spend an unwarranted amount of their time and the State's money polishing cobblestones and dimming diamonds.

8. Take advantage of the ability of the junior college to provide a general and practical education at home for all youth at considerable less expense to the student and the public. Our times demand even more 2-year technically qualified graduates than graduates of the professional schools.

9. Establish more private, industrial and State fellowships, jobs, loans, awards and incentives to attract gifted youth to college and keep them longer in college. (If the former are not adequate, Federal help may also be necessary.)

10. Exalt the role of the outstanding teacher by according him greater social prestige, better salary and tax deduction on money spent for professional improvement.

G. We can learn to survive through people to people communication

Nearly three years ago President Eisenhower launched his people-to-people program which essentially can be reduced to mean a grass roots approach to peace.

In addition to the Government program, such as the Fulbright scholarship program, the exchange student program, the point 4 program and the cultural exchange program, there have been nearly 40 committees organized in this country for the purpose of putting people—American people—in contact, direct and personal, with other peoples of the world.

The committees consist of bankers, lawyers, doctors, workers, industrialists, univer-

sity professors, church leaders, civic club committees and even a committee of retired government employees, to name a few. These groups make contacts with their counterparts in foreign nations. They foster hundreds of thousands of personal contacts between the peoples of the world in letter writing, and where possible, visits.

This grass roots approach to world peace and understanding is based upon the maxim that you like people whom you know. By fostering and understanding the culture, thinking, and opinions of peoples abroad and here at home, this program is making a considerable contribution to world peace and has a potential to make an even greater one.

H. We can learn to survive by agreement and accommodation

In his second inaugural the President said, "Our greatest hope for success lies in a universal fact; the people of the world, as people have always wanted peace and want peace now."

"The problem, then, is to find a way of translating this universal desire into action. This will require more than words of peace. It requires works of peace."

It is this universal desire that the President describes that could lead us to an agreement by accommodation. We could agree to tolerate each other and cease our efforts to obliterate each other.

As things stand now, the world is in a seeming impasse * * * two conflicting ideologies, bent upon the destruction of the other.

But it is hopeful to note that this is not the first seeming impasse that civilization has faced. There have been others of as great a magnitude—the Catholic and Protestant wars and the Mohammedan-Christian stand-off was very real and very desperate several centuries ago.

Today even, these are by no means extinct volcanos but we have arrived at a modus vivendi. Europe and western civilization have not committed suicide.

Just as two businessmen who have entirely different political, religious, economic, and moral beliefs can still sit down at a table and do business with one another without fear that the other will destroy him, perhaps with patience, education, and strength, we can do the same with the Soviets.

Our faith in an American-Soviet agreement to suspend nuclear tests and expansion had a severe setback by the repeated announcements of Edward Teller that any agreement with Russia "would be suicidal" because the Soviets could cheat. His policy would mean a rather hopeless future of arms and armaments.

Taking a more optimistic approach are Harrison Brown, professor of geological chemistry at California Tech.; Jay Orear, Columbia University; and Bertrand Russell, noted British philosopher.

Brown and Orear maintain stoutly that it is well within the realm of feasibility to establish a system of detection which would make the bootlegging of tests extremely difficult if not impossible. Brown says, "I do not stand alone in the scientific world."

Russell states: "I think it is possible that the government of east and west alike may decide that their enmity is suicidal and may come together in a determination to make science the servant of man rather than of homicidal lunatics. I do not think either statesmen or the general public have at all realized the immense and hitherto unparalleled happiness that is now possible for the human race if it decides to pursue its collective welfare rather than damage to some hatred group."

We can learn to survive, because we must learn to survive.

AMENDMENT OF PACKERS AND STOCKYARDS ACT—STATEMENT BY CHAIRMAN OF THE FEDERAL TRADE COMMISSION

Mr. WATKINS. Mr. President, on Friday, April 18, 1958, the Senate Agricultural Committee and the Senate Judiciary Committee met to consider Senate bill 1356. At that meeting the two committees heard testimony from Mr. John W. Gwynne, Chairman of the Federal Trade Commission, in support of S. 1356.

Chairman Gwynne's testimony made it evident, in my opinion at least, why the Congress should enact Senate bill 1356 into law. Although his testimony was given in executive session, the chairman of the joint meeting, the Senator from Florida [Mr. HOLLAND], has given permission for it to be made public. For this reason, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN W. GWYNNE, CHAIRMAN, FEDERAL TRADE COMMISSION, BEFORE THE SENATE JUDICIARY AND AGRICULTURE COMMITTEES CONCERNING PROPOSED AMENDMENTS TO PACKERS AND STOCKYARDS ACT, APRIL 17, 1958

It is my understanding that you wish me to discuss jurisdictional features involved in the Packers and Stockyards Act of 1921 and involved in certain proposed legislation to amend the existing law.

As originally adopted, section 5 of the Federal Trade Commission Act empowered and directed the Commission to prevent persons, partnerships, or corporations, except banks and certain common carriers, from using unfair methods of competition in commerce. Thus, under that provision and until the Packers and Stockyards Act was adopted, the Federal Trade Commission had jurisdiction over unfair methods of competition in commerce used by packers.

The Packers and Stockyards Act, among other things, declared certain practices of packers to be unlawful and set up machinery whereby the Secretary of Agriculture was to prevent such practices. The jurisdiction given the Secretary over certain prohibited acts by packers was subtracted from that previously held by the Commission in the following language:

"227. Powers of Federal Trade Commission restricted.

"So long as this chapter remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this chapter is made subject to the jurisdiction of the Secretary except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case" (U. S. C. 1946 ed., title 7, sec. 227).

The net result is that both the Secretary of Agriculture and the Federal Trade Commission now have some jurisdiction over packers. In any particular case the jurisdiction involves two important questions: (1) is the respondent a "packer" within the meaning of the law, and (2) is the act complained of one of the unlawful practices described in the Packers and Stockyards Act.

The Commission has recently been confronted with this jurisdictional problem on several occasions. In the *Matter of Food Fair Stores, Inc.* (docket 6458), complaint under section 5 of the Federal Trade Commission Act charged respondent with seeking

and obtaining special discriminatory advertising allowances from certain of its suppliers, while knowing or having reason to know that such allowances were discriminatory, and with failure to use all such allowances for advertising purposes.

The evidence disclosed that respondent was a supermarket grocery chain operating 238 stores and selling a full line of grocery and household products including meats; that respondent owned and operated a packing plant, where it engaged in the preparation and distribution of meat. Some of the meat was sold through respondent's own stores and the balance to independent brokers.

The Commission found that respondent was engaged in the business (1) of buying livestock in commerce for slaughter, and (2) of manufacturing or preparing for sale or shipment in commerce meats and meat food products. The conclusion, therefore, was that respondent was a packer under the act and the case was dismissed, even though the sale of meats made up only 5 percent of the total sales.

In the *Matter of Crosse and Blackwell* (docket 6463), it appeared that respondent manufactured a variety of products, such as soups containing meat or stock extracted from meats. The meats used were from carcasses bought from packing companies. Respondent did not buy animals for slaughter, did not slaughter them, and did not produce or sell meats as that term is used commercially. The Commission reversed the hearing examiner and held that respondent was not a packer and that the Commission had jurisdiction in the case. This case has been appealed to the courts.

There are a number of other cases involving various phases of this matter now pending before the Commission. Many of the large chain stores own and operate packing plants, process meats, and buy animals for slaughter. Under the current interpretation of the law, they would be held to be not within the jurisdiction of the Federal Trade Commission as to many of their activities.

The net result is that there is a great deal of uncertainty and difference of opinion as to the boundary line between the jurisdiction of the Federal Trade Commission and the Secretary of Agriculture. Unless settled by the Congress, it will be a fruitful source of continuing litigation, not about the merits of a particular case, but rather as to what governmental body has authority to enforce the law. Furthermore, a large chain store selling groceries may be held not subject to Federal Trade Commission jurisdiction simply because it owns a packing plant, while another chain doing substantially the same kind of business would be denied the exemption because it did not qualify as a packer.

The necessity of resolving this troublesome question is not disputed. The question is what is the best solution.

Before discussing individual bills, I would like to offer a few suggestions on the subject of jurisdiction generally. The problem of jurisdiction lies at the threshold of every case tried by every court and every tribunal of any kind. But the question of jurisdiction of the subject matter need not be raised at the beginning of the trial. It can be raised at any time. Nor can it be conferred by agreement or by failure to raise the question promptly. Jurisdiction depends usually on arbitrary rules laid down by law. Familiar examples are the defined age limit between juvenile and adult law violators, also the geographic boundary between States which determines what laws should apply to any particular transaction. Wherever possible, it is better to define jurisdiction specifically and accurately so that further amplification

or interpretation by the enforcing authorities is not necessary.

The transition from the live animal roaming in the fields to the steak on the consumer's table is a complicated matter. It involves transportation, sales either direct or through stockyards, stockyard operations, slaughter in packing establishments, and the final processing into meats. Almost every stage in this proceeding is regulated by law. Concerning the enforcement of these laws to this point, the Federal Trade Commission has no particular knowledge or experience. On the other hand, the Department of Agriculture does have the requisite knowledge and experience. When the final products, to wit, meat and meat products, are offered for sale in the channels of trade, we arrive at an area where the Federal Trade Commission does have special knowledge and experience. These facts should form the basis for a division of the jurisdiction between the Department of Agriculture and the Federal Trade Commission. In other words, the Department should have the duty of law enforcement through all stages until the meat or meat products are offered for sale. The Federal Trade Commission should have jurisdiction over all marketing operations thereafter.

The Federal Trade Commission favors this jurisdictional solution for two reasons.

First, it is understandable and easy of practical operation. The boundary line is clearly established, and will not vary depending upon conditions and interpretations which cannot now be foreseen.

Second, it is the jurisdictional approach now generally applied in other products originating on the farm. Consider, for example, wheat and flour. There are laws pertaining to the growing of wheat, its girding, storage, manufacture into flour. These are all agricultural matters. But when the flour is offered for sale in the regular channels of trade, it becomes subject to the laws regulating that subject generally. The same is true of most products, including drugs. The Federal Trade Commission, as a general proposition, now has jurisdiction over all marketing transactions in commerce. At the present time, about 33 percent of all the Commission's investigations are in the field of food marketing and distribution. Our activities in this area cover a wide variety of food products, production of which is subject to the various regulations by both Federal and State authorities. I am unable to see why a different rule should be adopted for meats.

Other solutions have been offered. One suggestion would draw the jurisdictional line on the basis of products. For example, the Department of Agriculture would have jurisdiction over transactions involving livestock, meats, meat food products, livestock products in unmanufactured form, etc., leaving to the Federal Trade Commission all other commodities.

There is no doubt in my mind that such a law would be preferable to the one we now have. But it has two defects.

(1) It needs further amplification and interpretation. We all know what livestock or meat means. But what about livestock products in unmanufactured forms? Would that cover, for example, hog bristles salvaged and partly processed by a packer and sold for manufacture into brushes? For that matter, would meat products cover the products considered by the Commission in the *Crosse and Blackwell* case, such as chili con carne which in its cooked form contains various ingredients and whose total volume contained 17.5 percent of meat?

(2) It would present some practical problems in enforcing the laws entrusted to the Commission. For example, suppose a corporation is engaged largely in the sale of

groceries at wholesale, but also owns a packing plant from which it distributes meat to the same customers. By a single contract or invoice, this corporation may sell steaks and prunes to the same supermarket. The transaction may involve an unlawful discrimination against competitors of the supermarket or a forbidden brokerage allowance or an improper advertising allowance. Is the duty of enforcement as to that one transaction to be divided between the Secretary of Agriculture and the Federal Trade Commission?

For the reasons above set out, the Federal Trade Commission favors S. 1356, as proposed to be modified by Senator Young's amendment.

NATIONAL POLICY TOWARD AGRICULTURE—RESOLUTION ADOPTED BY THE NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. WATKINS. Mr. President, I ask unanimous consent that a resolution entitled "National Policy Toward Agriculture," which was adopted by the National Council of Farmer Cooperatives, be printed in the *RECORD*. The resolution was adopted by the national council at its annual meeting, the last one of which was held in Houston, Tex., in January 1958.

This resolution was called to my attention by Mr. H. M. Blackhurst, general manager of the Utah Poultry & Farmers Cooperatives. The Utah Poultry & Farmers Cooperatives is one of the oldest farm organizations in the State of Utah. Its growth and development over the years are an indication of what farmers can do to help themselves through cooperation.

There being no objection, the resolution was ordered to be printed in the *RECORD*, as follows:

Joint resolution to reaffirm national policy to aid and encourage the establishment, operation, and growth of farmer cooperatives as an effective and proven means of helping farmers help themselves to achieve a free, expanding, and prosperous agriculture

Whereas farming has been and will continue to be affected by rapid changes growing out of tremendous scientific and technological developments that not only generate enlarged production but greatly increase the farmer's need for off-farm services of all kinds in such areas as assembling, processing, packaging, transporting, and selling his products and securing the tools, materials, and farm business services incident to efficient production; and

Whereas farmers as individual business units are finding it increasingly difficult to cope with their marketing and purchasing problems arising from the growing concentration in industries serving agriculture which has resulted in large, well-integrated businesses having extensive resources, a considerable degree of bargaining power, and mass consumer outlets requiring large amounts of uniformly graded and packaged products; and

Whereas over 50 years of experience has demonstrated that farmer cooperatives are capable agencies within the framework of the American system of private enterprise through which farm people can achieve the bargaining position they must have to secure the highest possible returns consistent with economic conditions for products sold, acquire tools, materials, and services needed

for production at reasonable costs; and obtain effective representation of their affairs to nonfarm interests; and

Whereas it is becoming increasingly clear that further integration of farming operations through cooperatives will be required in the future if farmers are to preserve the gains they have made and press forward to new levels of achievement; and

Whereas the Congress in a succession of legislative enactments over the years has set a policy favorable to the establishment, operation, and growth of farmers cooperatives; and

Whereas it is deemed desirable to set forth such policy in one statement: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is declared to be the policy of Congress to encourage and assist the organization, efficient operation and growth of farmer cooperatives engaged in marketing farm products, purchasing farm supplies and supplying business services to farmer patrons, as an effective

and proven means of helping farmers help themselves to achieve a free, expanding and prosperous agriculture.

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. President, I move that the Senate stand in adjournment until 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 14 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, April 22, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 21, 1958:

UNITED STATES TARIFF COMMISSION

Walter R. Schreiber, of Maryland, to be a member of the United States Tariff Commission for the term expiring June 16, 1964. (Reappointment.)

UNITED STATES ATTORNEY

Osro Cobb, of Arkansas, to be United States attorney for the eastern district of Arkansas for the term of 4 years. He is now serving in this office under an appointment which expired March 6, 1958.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 21, 1958:

POSTMASTER

Howard R. Jordan to be postmaster at Leighton, in the State of Alabama.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 23, 1958
For actions of April 22, 1958
85th-2d, No. 61

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HIGHLIGHTS: Senate committee reported bill to transfer certain functions under Packers and Stockyards Act to FTC. House passed bill to permit use of oleomargarine in Navy. Rep. Brown, Mo., urged food-stamp program.

HOUSE

1. OLEOMARGARINE. Passed with amendments H. R. 912, to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine. pp. 6188-96, 6198-6207
Agreed, 207 to 161, to an amendment by Rep. Laird to provide that during any period when surplus butter stocks are available to the Navy through CCC no oleomargarine or margarine shall be acquired for use by the Navy, except that limited supplies thereof may be acquired for use in special overseas areas upon certification that the use of butter in such areas would be impracticable. pp. 6204-07
Rejected, 50 to 54, an amendment by Rep. Johnson, Wisc., to provide that oleomargarine and margarine may be served "when the Secretary of Agriculture certifies that butter is not in surplus supply in the Commodity Credit Corporation." p. 6204
2. RETIREMENT. House conferees were appointed on S. 72, to increase the annuities of certain civil service annuitants. Senate conferees were appointed Apr. 2. p. 6187

3. SMALL BUSINESS. Rep. Talle inserted an analysis of his bill, H. R. 12057, to provide additional long-term credit and equity capital to small businesses. pp. 6196-98
Rep. Patman urged additional aid for small businesses and listed "important forces which are working to eliminate small business." pp. 6211-12
4. PRICE SUPPORTS; ACREAGE ALLOTMENTS. Rep. Dingell inserted a letter from the Director of the Mich. Department of Agriculture in which he submitted a resolution adopted by the commission of agriculture urging the Mich. congressional delegation to vote to override the President's veto of S. J. Res. 162, to freeze acreage allotments and price supports at 1957 levels. p. 6211
5. TEXTILE IMPORTS. Rep. Rogers, Mass., urged additional restrictions on the importation of cotton velveteen goods from Japan, and inserted portions of a release from the Japanese Embassy on the matter. p. 6221
6. INFORMATION. Received from the Government Operations Committee a report on the availability of information from Federal departments and agencies (H. Rept. 1619). p. 6226
7. WATER CONVERSION. Received from the Calif. Legislature a memorial relative to the construction of a salt water conversion demonstration plant. p. 6228
8. FLOOD CONTROL. Received a Philadelphia City Council petition requesting Congress to override the President's veto of the rivers and harbors and flood control bill. p. 6228

SENATE

9. PACKERS. The Agriculture and Forestry Committee reported with amendments S. 1356 to transfer certain functions under the Packers and Stockyards Act from this Department to FTC (S. Rept. 1464). p. 6133
10. EXPORT CONTROL. Passed without amendment S. 3093, to extend the Export Control Act for two years additional. pp. 6160-1
11. PERSONNEL. Passed with amendments S. 2127, to amend the Federal Employees' Group Life Insurance Act to limit the reduction in amounts of insurance for people over 65. Adopted committee amendments to reduce insurance amounts by 1% a month after 65, require payments of 32¢ per thousand, and extend such insurance to retiring employees with 12 years service instead of the present 15. pp. 6177-8
Sen. Neuberger was appointed as a conferee on S. 72, to increase certain annuities paid to certain retired employees, in place of Sen. Proxmire. p. 6139
12. ECONOMIC SITUATION. Sen. Humphrey discussed the economic situation, urging that programs be started to accelerate U. S. economic growth rates and to deal with certain specific problems. pp. 6179-84
Sen. Humphrey inserted a speech by ex-President Truman criticizing certain administration policies. pp. 6146-8
13. SMALL BUSINESS. Sens. Payne and Stennis were made co-sponsors of S. 3651, to make equity capital and long-term credit available for small business firms. p. 6139
Sen. Wiley was made co-sponsor of S. 3643, to provide equity capital and long-term credit to small business firms. p. 6139

UNFAIR PRACTICES IN THE MEATPACKING INDUSTRY

APRIL 22, 1958.—Ordered to be printed

Mr. HOLLAND, from the Committee on the Judiciary and the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 1356]

The Committee on the Judiciary and the Committee on Agriculture and Forestry, to whom was referred jointly the bill (S. 1356), to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, having considered the same, report the same back to the Senate with an amendment from each committee.

AMENDMENT OF THE COMMITTEE ON THE JUDICIARY

The Committee on the Judiciary on July 24, 1957 filed Senate Report No. 704, which is now reaffirmed by that committee. In that report the Committee on the Judiciary recommended the following amendment:

On page 1, line 3, strike all after the enacting clause and insert in lieu thereof the following:

That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (66 Stat. 632; 15 U. S. C. 45 (a) (6)), is amended to read as follows:

"(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the Acts to regulate commerce, and air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, from using unfair methods of competition in commerce and unfair or deceptive acts of practices in commerce."

(b) Section 2 (a) of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 182), is amended by striking out:

(1) paragraph (3) thereof; and

(2) paragraph (5) thereof.

(c) The title of such Act (7 U. S. C. 181, et seq.) and the title of the Act where it appears in the preamble of the Act of August 14, 1935 (49 Stat. 648), are amended by striking out the words "livestock products, dairy products" and the words "poultry products, and eggs".

¹ Supplementing Report No. 704.

(d) Section 2 (b) of such Act (42 Stat. 159; 7 U. S. C. 183) is amended by striking out the words "and meat-packing industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs," and inserting in lieu thereof the words "industry, and whereby livestock".

(e) Title II of such Act (42 Stat. 160; 7 U. S. C. 191-195) is repealed.

(f) Sections 401 and 403 of such Act (42 Stat. 168; 7 U. S. C. 221, 223) are amended by striking out, in each such section wherever they appear, the word "packer", and the words "packer or any live poultry dealer or handler,".

(g) Section 502 (a) of such Act (49 Stat. 648; 7 U. S. C. 218a (a)) is amended by striking out the words "packers as defined in title II of said Act and railroads", and inserting in lieu thereof the words "a railroad".

(h) Section 502 (b) of such Act (49 Stat. 648; 7 U. S. C. 218a (b)) is amended by inserting, immediately after the words "this Act", the words "or the Federal Trade Commission Act".

(i) Section 503 of such Act (49 Stat. 649; 7 U. S. C. 218b) is amended by striking out the first sentence thereof.

AMENDMENT OF THE COMMITTEE ON AGRICULTURE AND FORESTRY

The Committee on Agriculture and Forestry recommends that in lieu of the matter proposed to be inserted by the amendment recommended by the Committee on the Judiciary, the following matter be inserted:

That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (66 Stat. 632; 15 U. S. C. 45 (a) (6)), is amended to read as follows:

"(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938 and except as provided in section 406 (b) of the Packers and Stockyards Act, 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

(b) Section 406 (b) of the Packers and Stockyards Act, 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), is amended to read as follows:

"(b) On and after the enactment of this Act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which is made subject to the jurisdiction of the Secretary—

"(1) by title II of this Act if it concerns either (i) livestock or live poultry, or (ii) any other product in a form other than one in which it is marketed by the packer, poultry dealer or poultry handler; or

"(2) by titles III or V of this Act, except in cases in which, before the enactment of this Act, complaint has been served under Section 5 of the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914, or under section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and except when the Secretary of Agriculture in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case. The Secretary and the Federal Trade Commission shall maintain such liaison as is necessary to avoid unnecessary duplication of effort in the field covered by this Act. Each shall give immediate notice to the other of the filing of a complaint by either agency with respect to any matter over which both have jurisdiction, and thereafter the other shall not institute proceedings covering the same matter."

The amendment made by this subsection shall be effective only during the three year period beginning with the date of enactment of this Act, except that it shall continue effective thereafter with respect to complaints filed by either agency during such three year period.

(c) Section 202 of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended by inserting after the word "unlawful" the words "with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products."

(d) Section 201 of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended by inserting at the end thereof the following: "A change in any person's status as a packer or live poultry dealer or handler after a transaction or act has occurred shall not affect the authority or jurisdiction of the Secretary or the Federal Trade Commission to institute proceedings and issue orders based upon such transaction or Act applicable to such person or such action as may be provided by law for the enforcement of such orders."

(e) The caption to title III, appearing immediately before section 301 of such Act (42 Stat. 163; 7 U. S. C. 201) is amended by adding, immediately following the word "STOCKYARDS", the words "AND LIVESTOCK TRANSACTIONS".

(f) Section 301 (c), section 301 (d) and section 312 (a) of title III of such Act (42 Stat. 163 and 167; 7 U. S. C. 201 and 213) are amended by striking out in each such section, wherever they appear, the words "at a stockyard".

(g) Section 302 (a) of title III of such Act (42 Stat. 163; 7 U. S. C. 202a) is amended by striking out the last sentence thereof.

(h) Section 303 of title III of such Act (42 Stat. 163; 7 U. S. C. 203) is amended by inserting after the first sentence thereof the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the Act may be required to register in such manner as the Secretary may prescribe."

(i) Section 311 of title III of such Act (42 Stat. 167; 7 U. S. C. 212) is amended by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer", and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers".

EXPLANATION OF THE AMENDMENT PROPOSED BY THE COMMITTEE ON AGRICULTURE AND FORESTRY

GENERAL STATEMENT

The balance of this report will concern itself with the recommendation of the Committee on Agriculture and Forestry, since the recommendation of the Committee on the Judiciary is fully explained in Senate Report No. 704.

The Committee on Agriculture and Forestry, meeting jointly with the Committee on the Judiciary, considered the various proposals made with respect to the subject-matter of the bill and explored the areas of agreement and the areas of differences. The two committees gave consideration to the proposals contained in S. 1356, H. R. 9020, H. R. 11234, the substitute for S. 1356 proposed by Senator Dirksen on March 3, 1958, and the amendment to S. 1356 proposed by Senators Young, O'Mahoney, Watkins, and Carroll. A comparison of these proposals is attached hereto as exhibit A. Testimony was taken at this meeting from representatives of the Federal Trade Commission and the Department of Agriculture, whose prepared statements are attached hereto as exhibits B and C.

There appeared to be general agreement with respect to the amendment proposed by Senators Young, O'Mahoney, Watkins, and Carroll; and that the Department of Agriculture should have exclusive jurisdiction over unfair trade practices with respect to livestock and live poultry. There further appeared to be general agreement that the Federal Trade Commission should have exclusive jurisdiction over unfair trade practices with respect to commodities other than livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products. There further appeared to be no substantial objection to concurrent jurisdiction over unfair trade practices with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products at the retail level. There

was, however, disagreement as to which agency should have jurisdiction over unfair trade practices with respect to these last-named products at the wholesale level. The Federal Trade Commission, pointing out that it now has general jurisdiction and special knowledge and experience applicable to all other products offered for sale in the regular channels of trade, recommended that the Department of Agriculture have jurisdiction over meats, meat food products, livestock products in unmanufactured form, and poultry products until they are offered for sale and that the Commission have jurisdiction thereafter for two reasons: First, because such division would provide a clearly established boundary line, easy of practical operation, and second, because it constituted a jurisdictional approach generally applied to other products originating on the farm. The Department of Agriculture contended that, because of the close relationship between the merchandising of these products and the determination of prices for livestock and poultry (particularly in view of the increasing practice of selling livestock on the basis of rail grade and yield, and increasing vertical integration of producers, feed companies; and, packers), neither the Department nor the Commission would have sufficient authority to maintain free and open competition necessary to the determination of true values for livestock, meat, and poultry unless the Department retained jurisdiction over packers' unfair trade practices with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products. Each agency asserted that in order to fulfill its responsibilities in its appropriate sphere it needed jurisdiction over packers with respect to these products, and each agency recommended that its jurisdiction be exclusive. The Committee on Agriculture and Forestry was impressed with the arguments of each agency as to its need for jurisdiction over packers in order to accomplish the primary purposes of the legislation administered by it. However, the committee felt that concurrent jurisdiction is a common aspect of our regulatory system; and that, by providing for proper liaison and denying to each agency the authority to assert jurisdiction over a matter with respect to which the other agency has instituted proceedings, any problems arising from concurrent jurisdiction can be solved.

SHORT EXPLANATION OF AMENDMENT

The amendment of the Committee on Agriculture and Forestry provides that in the field of unfair trade practices covered by the Packers and Stockyards Act, 1921, and the acts administered by the Federal Trade Commission the division of authority, subject to certain exceptions shall be as follows:

- (1) The Department of Agriculture shall have exclusive jurisdiction with respect to livestock and poultry through the packing plant, including all transactions in livestock in commerce at posted yards and elsewhere;

- (2) The Federal Trade Commission shall have exclusive jurisdiction with respect to products other than livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products; and

- (3) The two agencies shall have concurrent jurisdiction with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products after they have been prepared in form for distribution.

ANALYSIS OF AMENDMENT

Subsections (a), (b), and (c)

Subsections (a), (b), and (c) cover the transfer of jurisdiction over certain unfair trade practices covered by title II of the Packers and Stockyards Act, 1921, from the Department of Agriculture to the Federal Trade Commission.

The Department of Agriculture at present has full jurisdiction over unfair trade practices by packers and poultry dealers. Subsection (c) would limit the Department's jurisdiction over packers and poultry dealers to matters concerning livestock, meats, meat-food products, livestock products in unmanufactured form, poultry, or poultry products. The Federal Trade Commission would then have jurisdiction over packers and poultry dealers with respect to all other commodities.

Section 406 (b) of the Packers and Stockyards Act and section 5 (a) (6) of the Federal Trade Commission Act at present exclude the Federal Trade Commission from jurisdiction over matters covered by the Packers and Stockyards Act. Subsection (b) of the amendment amends section 406 (b) so as to give the Federal Trade Commission concurrent jurisdiction for the next 3 years over packers and poultry dealers with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products after they have been processed for distribution. This 3-year limitation does not apply to jurisdiction vested in the Federal Trade Commission over other commodities or products. Subsection (c) of the amendment amends section 5 (a) (6) of the Commission's Act to conform it to section 406 (b). Section 406 (b), as amended by subsection (b) of the amendment, further provides that in this field of concurrent jurisdiction the two agencies shall maintain proper liaison to avoid unnecessary duplication of effort and neither shall file a complaint covering a matter which is covered by a complaint filed by the other.

Subsection (d)

This subsection would amend section 201 of the Packers and Stockyards Act to prevent a person from escaping the jurisdiction of either agency by changing his status as a packer or live poultry dealer or handler after a transaction or act has occurred. It is designed to meet the problems raised by the United Corporation case, which is discussed in Senate Report 704 at page 12.

Subsections (e) through (i)

Subsections (e) to (i), inclusive, result in vesting in the Secretary of Agriculture jurisdiction over all transactions in livestock in interstate commerce as follows:

Subsection (e) makes conforming amendments in the caption of title III.

Subsection (f) expands the jurisdiction of the Secretary of Agriculture over livestock transactions in interstate commerce to cover all such transactions, including those at auction markets and so-called country buying points whereas presently his jurisdiction, except with respect to packers, is limited to transactions on stockyards of over 20,000 square feet engaged in interstate commerce.

Subsection (g) makes all stockyards in interstate commerce subject to the jurisdiction of the Secretary of Agriculture by removing the present limitation of 20,000 square feet in the definition of stockyards.

This will, in addition to placing the smaller interstate stockyards under the same regulation as larger yards, also require those engaged in business thereon as market agencies or dealers to register with the Department of Agriculture the same as those on larger yards.

Subsection (h) authorizes the Secretary of Agriculture to require registration of persons engaged, other than at stockyards, as market agencies or dealers in livestock in interstate commerce.

As section 311 of the act is now written, dealers (any person, not a market agency, engaged in the business of buying or selling livestock, either on his own account or as the employee or agent of the vendor or purchaser) are not included among those categories of persons against whom the Secretary of Agriculture can take corrective action for certain improper activities (e. g., discrimination between intra- and inter-state commerce). This subsection includes dealers within the scope of section 311 dealing with these activities.

EXHIBIT A

Comparative summary of H. R. 9020 (reported from Committee on Agriculture), H. R. 11234 (reported from Committee on Interstate and Foreign Commerce), and S. 1356 (reported from Committee on the Judiciary)

Acts amended	H. R. 9020, Dirksen substitute (Mar. 3, 1958-E) for S. 1356	H. R. 11234 with committee amendments	S. 1356—H. R. 5282
Federal Trade Commission Act.	Provides that matters made subject to the Packers and Stockyards Act rather than persons subject thereto will be exempt from the act (sec. 3).	Limits exemption from the act for persons, partnerships, or corporations subject to the Packers and Stockyard Act to matters subject to that act (sec. 1 (a)).	Eliminates the exemption from the act for persons, partnerships, or corporations subject to the Packers and Stockyard Act (sec. 1 (a)).
Packers and Stockyards Act, 1921—Title I: Definitions.	No comparable provision....	No comparable provision..	Makes conforming changes in the title and definitions to eliminate reference to commodities other than livestock and live poultry (sec. 1 (b) and (c)).
Title II: Packers..	Limits the exclusive jurisdiction of the Secretary over packers to their activities relating to livestock, meats, meat food products, livestock products in unmanufactured form, poultry or poultry products, and transfers such jurisdiction over their activities relating to other commodities to the Federal Trade Commission (sec. 1 (1)).	Same as H. R. 9020 (sec. 1 (b) (1)).	Transfers all jurisdiction of the Secretary of Agriculture over trade practices of packers except with respect to livestock transactions on posted stockyards to the Federal Trade Commission (sec. 1 (d)).
Title III Stockyards.	Extends the Secretary's jurisdiction to (1) all interstate stockyards (now limited to yards of 20,000 feet or more), (2) livestock transactions in interstate commerce of all persons engaged in the business of dealing in livestock in interstate commerce (now limited to livestock transactions of packers in interstate commerce and other persons at posted stockyards), and (3) authorize requirement of registration of persons other than those operating at stockyards (sec. 2).	Same as H. R. 9020 (sec. 2).	No comparable provision. (The Young-Carroll amendment would incorporate in S. 1356 language identical to H. R. 9020.)

Comparative summary of H. R. 9020 (reported from Committee on Agriculture), H. R. 11234 (reported from Committee on Interstate and Foreign Commerce), and S. 1356 (reported from Committee on the Judiciary)—Continued

Acts amended	H. R. 9020, Dirksen substitute (Mar. 3, 1958-E) for S. 1356	H. R. 11234 with committee amendments	S. 1356—H. R. 5282
Title IV: General provisions.	(a) No comparable provision. (b) Provides for concurrent jurisdiction in the Secretary and the Commission over oleomargarine and the retail sales of directly related products of livestock and poultry left under the jurisdiction of the Secretary. The Secretary is authorized to delegate to the Commission authority over specific packer activities when he determines such action to be in the public interest (sec. 1 (2) and (3)). (c) No comparable provision.	(a) No comparable provision. (b) Jurisdiction over all retail sales is transferred to the Commission. If in the course of any investigation or proceeding in their respective field of jurisdiction under the act the Commission or Secretary determines it is necessary to exercise full jurisdiction, upon notice thereof to the other agency and its concurrence in the determination may exercise full jurisdiction in the investigation or proceeding. Requires Federal Register publication of determinations and concurrences and annual reports thereon to Congress (sec. 1 (b) (2)). (c) Requires Secretary maintain within the Department of Agriculture a separate enforcement unit to administer and enforce title II of the act (sec. 3).	(a) Eliminates reference to packers or live poultry dealers or handlers (sec. 1 (e)). (b) No comparable provision. (c) No comparable provision.
Title V: Live poultry dealers and handlers.	No comparable provision....	No comparable provision..	Requires packers to obtain a license to engage in bandling of live poultry in a designated city or area and provides that the Secretary may refuse a license under the poultry provisions of the act if he finds the applicant has engaged in practices of the character prohibited by the Federal Trade Commission Act (sec. 1 (f) and (g)).

EXHIBIT B

STATEMENT OF JOHN W. GWYNNE, CHAIRMAN, FEDERAL TRADE COMMISSION, BEFORE THE SENATE JUDICIARY AND AGRICULTURE COMMITTEE CONCERNING PROPOSED AMENDMENTS TO PACKERS AND STOCKYARDS ACT, APRIL 17, 1958

It is my understanding that you wish me to discuss jurisdictional features involved in the Packers and Stockyards Act of 1921 and involved in certain proposed legislation to amend the existing law.

As originally adopted, section 5 of the Federal Trade Commission Act empowered and directed the Commission to prevent persons, partnerships, or corporations, except banks and certain common carriers, from using unfair methods of competition in commerce. Thus, under that provision and until the Packers and Stockyards Act was adopted, the Federal Trade Commission had jurisdiction over unfair methods of competition in commerce used by packers.

The Packers and Stockyards Act, among other things, declared certain practices of packers to be unlawful and set up machinery whereby the Secretary of Agriculture was to prevent such practices. The jurisdiction given the Secretary over certain prohibited acts by packers was subtracted from that previously held by the Commission in the following language:

"227. Powers of Federal Trade Commission restricted.

"So long as this chapter remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this chapter is made subject to the jurisdiction of the Secretary except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case" (U. S. C. 1946 ed., title 7, sec. 227).

The net result is that both the Secretary of Agriculture and the Federal Trade Commission now have some jurisdiction over packers. In any particular case the jurisdiction involves two important questions: (1) is the respondent a "packer" within the meaning of the law, and (2) is the act complained of one of the unlawful practices described in the Packers and Stockyards Act.

The Commission has recently been confronted with this jurisdictional problem on several occasions. *In the Matter of Food Fair Stores, Inc.*, docket 6458, complaint under section 5 of the Federal Trade Commission Act charged respondent with seeking and obtaining special discriminatory advertising allowances from certain of its suppliers, while knowing or having reason to know that such allowances were discriminatory, and with failure to use all of such allowances for advertising purposes.

The evidence disclosed that respondent was a supermarket grocery chain operating 238 stores and selling a full line of grocery and household products including meats; that respondent owned and operated a packing plant, where it engaged in the preparation and distribution of meat. Some of the meat was sold through respondent's own stores and the balance to independent brokers.

The Commission found that respondent was engaged in the business (1) of buying livestock in commerce for slaughter, and (2) of manufacturing or preparing for sale or shipment in commerce meats and meat food products. The conclusion, therefore, was that respondent was a "packer" under the act and the case was dismissed, even though the sale of meats made up only 5 percent of the total sales.

In the Matter of Crosse and Blackwell, docket 6463, it appeared that respondent manufactured a variety of products, such as soups containing meat or "stock" extracted from meats. The meats used were from carcasses bought from packing companies. Respondent did not buy animals for slaughter, did not slaughter them, and did not produce or sell meats as that term is used commercially. The Commission reversed the hearing examiner and held that respondent was not a packer and that the Commission had jurisdiction in the case. This case has been appealed to the courts.

There are a number of other cases involving various phases of this matter now pending before the Commission. Many of the large chainstores own and operate packing plants, process meats and buy animals for slaughter. Under the current interpretation of the law,

they would be held to be not within the jurisdiction of the Federal Trade Commission as to many of their activities.

The net result is that there is a great deal of uncertainty and difference of opinion as to the boundary line between the jurisdiction of the Federal Trade Commission and the Secretary of Agriculture. Unless settled by the Congress, it will be a fruitful source of continuing litigation, not about the merits of a particular case, but rather as to what governmental body has authority to enforce the law. Furthermore, a large chainstore selling groceries may be held not subject to Federal Trade Commission jurisdiction simply because it owns a packing plant, while another chain doing substantially the same kind of business would be denied the exemption because it did not qualify as a packer.

The necessity of resolving this troublesome question is not disputed. The question is what is the best solution.

Before discussing individual bills, I would like to offer a few suggestions on the subject of jurisdiction generally. The problem of jurisdiction lies at the threshold of every case tried by every court and every tribunal of any kind. But the question of jurisdiction of the subject matter need not be raised at the beginning of the trial. It can be raised at any time. Nor can it be conferred by agreement or by failure to raise the question promptly. Jurisdiction depends usually on arbitrary rules laid down by law. Familiar examples are the defined age limit between juvenile and adult law violators, also the geographic boundary between States which determines what laws should apply to any particular transaction. Wherever possible, it is better to define jurisdiction specifically and accurately so that further amplification or interpretation by the enforcing authorities is not necessary.

The transition from the live animal roaming in the fields to the steak on the consumer's table is a complicated matter. It involves transportation, sales either direct or through stockyards, stockyard operations, slaughter in packing establishments, and the final processing into meats. Almost every stage in this proceeding is regulated by law. Concerning the enforcement of these laws to this point, the Federal Trade Commission has no particular knowledge or experience. On the other hand, the Department of Agriculture does have the requisite knowledge and experience. When the final products, to wit, meat and meat products, are offered for sale in the channels of trade, we arrive at an area where the Federal Trade Commission does have special knowledge and experience. These facts should form the basis for a division of the jurisdiction between the Department of Agriculture and the Federal Trade Commission. In other words, the Department should have the duty of law enforcement through all stages until the meat or meat products are offered for sale. The Federal Trade Commission should have jurisdiction over all marketing operations thereafter.

The Federal Trade Commission favors this jurisdictional solution for two reasons.

First, it is understandable and easy of practical operation. The boundary line is clearly established, and will not vary depending upon conditions and interpretations which cannot now be foreseen.

Second, it is the jurisdictional approach now generally applied in other products originating on the farm. Consider, for example, wheat, and flour. There are laws pertaining to the growing of wheat,

its grading, storage, manufacture into flour. These are all agricultural matters. But when the flour is offered for sale in the regular channels of trade, it becomes subject to the laws regulating that subject generally. The same is true of most products, including drugs. The Federal Trade Commission, as a general proposition, now has jurisdiction over all marketing transactions in commerce. At the present time, about 33 percent of all the Commission's investigations are in the field of food marketing and distribution. Our activities in this area cover a wide variety of food products, production of which is subject to the various regulations by both Federal and State authorities. I am unable to see why a different rule should be adopted for meats.

Other solutions have been offered. One suggestion would draw the jurisdictional line on the basis of products. For example, the Department of Agriculture would have jurisdiction over transactions involving livestock, meats, meat food products, livestock products in unmanufactured form, etc., leaving to the Federal Trade Commission all other commodities.

There is no doubt in my mind that such a law would be preferable to the one we now have. But it has two defects.

(1) It needs further amplification and interpretation. We all know what livestock or meat means. But what about "livestock products in unmanufactured form?" Would that cover, for example, hog bristles salvaged and partly processed by a packer and sold for manufacture into brushes? For that matter, would meat products cover the products considered by the Commission in the Crosse and Blackwell case, such as chili con carne which in its cooked form contains various ingredients and whose total volume contained 17.5 percent of meat?

(2) It would present some practical problems in enforcing the laws entrusted to the Commission. For example, suppose a corporation is engaged largely in the sale of groceries at wholesale, but also owns a packing plant from which it distributes meat to the same customers. By a single contract or invoice, this corporation may sell steaks and prunes to the same supermarket. The transaction may involve an unlawful discrimination against competitors of the supermarket or a forbidden brokerage allowance or an improper advertising allowance. Is the duty of enforcement as to that one transaction to be divided between the Secretary of Agriculture and the Federal Trade Commission?

For the reasons above set out, the Federal Trade Commission favors S. 1356, as proposed to be modified by Senator Young's amendment.

EXHIBIT C

STATEMENT BY DON PAARLBERG, ASSISTANT SECRETARY OF AGRICULTURE, UNITED STATES DEPARTMENT OF AGRICULTURE, MADE AT A JOINT MEETING OF THE SENATE AGRICULTURE AND FORESTRY COMMITTEE AND THE SENATE JUDICIARY COMMITTEE, THURSDAY, APRIL 17, 1958

Approximately a year ago representatives from the Department of Agriculture testified before subcommittees of both the House and Senate on bills proposing to amend the Packers and Stockyards Act. We have recommended against passage of S. 1356 because it would

make an impractical division of the Government's jurisdiction over the livestock and meat processing and merchandising industry. We believe that under this bill neither the Department of Agriculture nor the Federal Trade Commission would have sufficient authority to maintain free and open competition necessary to the determination of true values for livestock, meat, and poultry.

There is a close and direct relationship between the merchandising practices in the sale of dressed meat and poultry and the determination of prices for livestock and poultry. Because of this, complete coordination of responsibility over all phases of meatpacking operations is desirable to the maintenance of open competition.

The direct country buying operations of meat packers and the meat merchandising practices of packers are important, if not the dominant factors, in competition for livestock today. Without jurisdiction over these operations it would be difficult for the Department of Agriculture to assure that competition at public markets is, in fact, true competition. Moreover, the Department would be unable to effectively prevent or uncover many restrictive, discriminatory, or monopolistic practices at points away from public stockyards affecting the prices to be paid at public stockyards. In fact, the Department of Agriculture would be left with responsibility for maintaining competitive livestock markets but without effective jurisdiction over meat packing companies, 1 of the 2 main parties to competition at these markets. We understand an amendment acceptable to the proponents of S. 1356 has been offered which would vest in the Department jurisdiction over all livestock transactions in commerce. However, this amendment does not deal with the problem relating to meat and meat products.

We believe that S. 1356, if enacted, would reduce the potential effectiveness and the ultimate value of the Packers and Stockyards Act to livestock producers and meat consumers. This prospect is further heightened by the increase in recent years in the practice of producers selling their livestock direct to meatpackers on the basis of rail grade and yield of the slaughtered carcass. An additional factor is the current consideration being given by some producers, feed companies, and meatpackers to vertical integration of their operations. This could result in even more closely associating the entire production and marketing process of livestock and meats, from the live animal to the consumer.

We do recognize the desirability of certain changes in the act to increase the effectiveness of the Federal Trade Commission and of the Department of Agriculture in their fields of primary interest. At the present time, all activities of meatpacking companies are under the exclusive jurisdiction of the Department. This includes jurisdiction over many products handled by these firms but not directly related to livestock, meats, or poultry. The Federal Trade Commission, on the other hand, has exclusive jurisdiction over livestock operations of non-packers in commerce away from posted stockyards. As a result, neither the Department nor the Commission has complete jurisdiction over commodities within their respective fields.

To correct this situation, we would recommend that the Packers and Stockyards Act be amended to:

1. Transfer jurisdiction over the practices of meatpackers in commerce not related to livestock, meats, meat food products, livestock

products in unmanufactured form, poultry or poultry products to the Federal Trade Commission. The Commission already has responsibility over many competing firms in these fields and this would serve to complete its jurisdiction.

2. Provide for concurrent jurisdiction by the Federal Trade Commission with the Department of Agriculture over retail merchandising of products of livestock and poultry in commerce so the Commission will have complete jurisdiction over competition in the retail field. The Department, however, should retain concurrent jurisdiction of packers' meat and poultry operations at this retail level because such authority is essential in the regulation of competition in the livestock and poultry fields.

3. Transfer from the Federal Trade Commission to the Department jurisdiction over livestock marketing transactions in commerce by nonpackers at points away from posted stockyards. This would give the Department complete jurisdiction in the livestock marketing field.

4. Provide authority for the Secretary to delegate to the Commission authority over specific packer activities when he determines such action to be in the public interest.

The amendments we are suggesting in lieu of those embodied in S. 1356 would, we believe, aid in efficient regulation of the livestock and meat industry by clarifying the areas of jurisdiction between the Department of Agriculture and the Federal Trade Commission. Through the amendments we propose, the Department of Agriculture would be able to concentrate its attention under the act to those activities relating to livestock, meats, meat food products, livestock products in unmanufactured form, and poultry or poultry products. All these directly affect producers. The Federal Trade Commission's jurisdiction would be extended to cover those packer activities relating to other commodities. In addition it would include, on a concurrent jurisdiction basis, the retail merchandising of the products of livestock and poultry. Provision for the Secretary to delegate authority to the Federal Trade Commission would eliminate the possibility of violators avoiding or delaying prosecution in cases involving borderline jurisdictional areas.

We believe there are other strong and important reasons for retention in the Department of Agriculture of jurisdiction over livestock, poultry, and their directly related products. The livestock production, marketing, slaughtering, processing, and meat merchandising industries are closely related to and connected with the farm problem and agricultural economy. Farmers depend on livestock for a large percentage of their total income. The Department has many activities and programs in these related fields designed to aid livestock producers in obtaining full value for their products. We believe there is a large fund of knowledge in the Department in these closely related fields that is very useful in enforcement of the act.

The exercise of jurisdiction by the Department of Agriculture over the marketing of meat is not unique with respect to agricultural commodities or products. The producer's product, whether it be livestock or any other product, must be processed into the form required for merchandising. In the case of livestock this consists of slaughtering, dressing, and such additional processing as may be necessary to put the meat in the form of salable cuts. In the case of fruits and vege-

tables, the same end is accomplished by harvesting the fruit or vegetable from the tree or plant, cleaning, sorting, grading, waxing, stemming, chilling, as the case may be, and packing in wholesale packages.

With respect to meat, the Department regulates the unfair trade practices in the wholesale or retail marketing thereof under the Packers and Stockyards Act if the firm slaughters livestock or processes meat for sale or shipment in commerce. In the case of fruits and vegetables, whether fresh or frozen, the Department, under the Perishable Agricultural Commodities Act of 1930, regulates the trade practices of all persons engaged in handling such commodities, either as brokers or dealers, including retail dealers purchasing in wholesale lots, thus including all of the major retail grocery chain organizations.

It is, therefore, apparent that the jurisdiction with respect to meat is comparable to the Department's jurisdiction with respect to fruits and vegetables, except that in the field of meat the jurisdiction is limited to packers, not including wholesalers or retailers who do not slaughter or process meats for sale or shipment in commerce; whereas, with respect to fruits and vegetables such jurisdiction is exercised with respect to all persons. The Department's jurisdiction over trade practices is not limited to these two fields. Under other regulatory programs the Department exercises jurisdiction in the field of wholesale marketing of other commodities, including milk, grains, cotton, butter, eggs, insecticides, seed, fungicides, rodenticides, virus serums and toxins, fats and oils, and wool.

It is logical and appropriate that the authority contained in the Packers and Stockyards Act, with the amendments we propose, remain vested in the Department of Agriculture. This is important to insuring open competitive market prices in the livestock marketing, meatpacking, and merchandising fields. It is an effective means by which it will be possible to prevent and correct practices at any level, from producer to consumer, which restrict or limit competition and deprive livestock and poultry producers of the true value of their product.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX, of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

FEDERAL TRADE COMMISSION ACT

SEC. 5 (a)

* * * * *

(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to the Civil Aeronautics Act of [1938, and persons, partnerships, or corporations subject to] 1938 and except as provided in section 406 (b) of the Packers and Stockyards Act, 1921, [except as provided in Section 227 (b) of Title 7,] (42 Stat. 199, as amended; 7 U. S. C.

182), from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce.

* * * * *

PACKERS AND STOCKYARDS ACT, 1921

TITLE II—PACKERS

SEC. 201. When used in this Act—

The term “packer” means any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or (d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

(1) Such person is also engaged in any business referred to in clause (a) or (b) above, or unless

(2) Such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, any interest in any business referred to in clause (a) or (b) above, or unless

(3) Any interest in such business of manufacturing or preparing livestock products, or in such marketing business is owned or controlled, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, by any person engaged in any business referred to in clause (a) or (b) above; or unless

(4) Any person or persons jointly or severally, directly or indirectly, through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 per centum or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 per centum or more of such power or control in any business referred to in clause (a) or (b) above. A change in any person's status as a packer or live poultry dealer or handler after a transaction or act has occurred shall not affect the authority or jurisdiction of the Secretary or the Federal Trade Commission to institute proceedings and issue orders based upon such transaction or Act applicable to such person or such action as may be provided by law for the enforcement of such orders.

SEC. 202. It shall be unlawful *with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products* for any packer or any live poultry dealer or handler to:

(a) Engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in commerce; or

(b) Make or give, in commerce, any undue or unreasonable preference or advantage to any particular person or locality in any respect whatsoever, or subject, in commerce, any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever; or

(c) Sell or otherwise transfer to or for any other packer or any live poultry dealer or handler, or buy or otherwise receive from or for

any other packer, any article for the purpose or with the effect of apportioning the supply in commerce between any such packers, if such apportionment has the tendency or effect of restraining commerce or of creating a monopoly in commerce; or

(d) Sell or otherwise transfer to or for any other person, or buy or otherwise receive from or for any other person, any article for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in any article in commerce, or of restraining commerce; or

(e) Engage in any course of business or do any act for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in any article in commerce, or of restraining commerce; or

(f) Conspire, combine, agree, or arrange with any other persons (1) to apportion territory for carrying on business in commerce, or (2) to apportion purchases or sales of any article in commerce, or (3) to manipulate or control prices in commerce; or

(g) Conspire, combine, agree, or arrange with any other person to do, or aid or abet the doing of, any act made unlawful by subdivision (a), (b), (c), (d), or (e).

* * * * *

TITLE III—STOCKYARDS AND LIVESTOCK TRANSACTIONS

Sec. 301. When used in this Act—

(a) The term “stockyard owner” means any person engaged in the business of conducting or operating a stockyard;

(b) The term “stockyard services” means services or facilities furnished at a stockyard in connection with the receiving, buying, or selling on a commission basis or otherwise, marketing, feeding, watering, holding, delivery, shipment, weighing, or handling, in commerce, of livestock;

(c) The term “market agency” means any person engaged in the business of (1) buying or selling in commerce livestock [at a stockyard] on a commission basis or (2) furnishing stockyard services; and

(d) The term “dealer” means any person, not a market agency, engaged in the business of buying or selling in commerce livestock [at a stockyard], either on his own account or as the employee or agent of the vendor or purchaser.

SEC. 302. (a) When used in this title the term “stockyard” means any place, establishment, or facility commonly known as stockyards, conducted or operated for compensation or profit as a public market, consisting of pens, or other inclosures, and their appurtenances, in which live cattle, sheep, swine, horses, mules, or goats are received, held, or kept for sale or shipment in commerce. [This title shall not apply to a stockyard of which the area normally available for handling livestock, exclusive of runs, alleys, or passageways, is less than twenty thousand square feet.]

(b) The Secretary shall from time to time ascertain, after such inquiry as he deems necessary, the stockyards which come within the foregoing definition, and shall give notice thereof to the stockyard owners concerned, and give public notice thereof by posting copies of such notice in the stockyard, and in such other manner as he may determine. After the giving of such notice to the stockyard owner

and to the public, the stockyard shall remain subject to the provisions of this title until like notice is given by the Secretary that such stockyard no longer comes within the foregoing definition.

SEC. 303. After the expiration of thirty days after the Secretary has given public notice that any stockyard is within the definition of section 302, by posting copies of such notice in the stockyard, no person shall carry on the business of a market agency or dealer at such stockyard unless he has registered with the Secretary under such rules and regulations as the Secretary may prescribe, his name and address, the character of business in which he is engaged, and the kinds of stockyard services, if any, which he furnishes at such stockyard. *Every other person operating as a market agency or dealer as defined in section 301 of the Act may be required to register in such manner as the Secretary may prescribe.* Whoever violates the provisions of this section shall be liable to a penalty of not more than \$500 for each such offense and not more than \$25 for each day it continues, which shall accrue to the United States and may be recovered in a civil action brought by the United States.

* * * * *

SEC. 311. Whenever in any investigation under the provisions of this title, or in any investigation instituted by petition of the [stockyard owner or market agency] *stockyard owner, market agency, or dealer* concerned, which petition is hereby authorized to be filed, the Secretary after full hearing finds that any rate, charge, regulation, or practice of any [stockyard owner or market agency] *stockyard owner, market agency, or dealer*, for or in connection with the buying or selling on a commission basis or otherwise, receiving, marketing, feeding, holding, delivery, shipment, weighing, or handling, not in commerce, of livestock, causes any undue or unreasonable advantage, prejudice, or preference as between persons or localities in intrastate commerce in livestock on the one hand and interstate or foreign commerce in livestock on the other hand, or any undue, unjust, or unreasonable discrimination against interstate or foreign commerce in livestock, which is hereby forbidden, and declared to be unlawful, the Secretary shall prescribe the rate, charge, regulation, or practice thereafter to be observed, in such manner as, in his judgment, will remove such advantage, preference, or discrimination. Such rates, charges, regulations, or practices shall be observed while in effect by the [stockyard owners or market agencies] *stockyard owners, market agencies, or dealers* parties to such proceeding affected thereby, the law of any State or the decision or order of any State authority to the contrary notwithstanding.

SEC. 312. (a) It shall be unlawful for any stockyard owner, market agency, or dealer to engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in connection with the receiving, marketing, buying, or selling on a commission basis or otherwise, feeding, watering, holding, delivery, shipment, weighing or handling, in commerce [at a stockyard], of livestock.

(b) Whenever complaint is made to the Secretary by any person, or whenever the Secretary has reason to believe, that any stockyard owner, market agency, or dealer is violating the provisions of subdivision (d), the Secretary after notice and full hearing may make an

order that he shall cease and desist from continuing such violation to the extent that the Secretary finds that it does or will exist.

* * * * *

SEC. 406. (a) Nothing in this Act shall affect the power or jurisdiction of the Interstate Commerce Commission, nor confer upon the Secretary concurrent power or jurisdiction over any matter within the power or jurisdiction of such Commission.

(b) On and after the enactment of this Act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which [by this Act] is made subject to the jurisdiction of the Secretary—

(1) *by title II of this Act if it concerns either (i) livestock or live poultry, or (ii) any other product in a form other than one in which it is marketed by the packer, poultry dealer or poultry handler; or*

(2) *by titles III or V of this Act,*

except in cases in which, before the enactment of this Act, complaint has been served under Section 5 of the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914, or under section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and except when the Secretary of Agriculture in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case. *The Secretary and the Federal Trade Commission shall maintain such liaison as is necessary to avoid unnecessary duplication of effort in the field covered by this Act. Each shall give immediate notice to the other of the filing of a complaint by either agency with respect to any matter over which both have jurisdiction, and thereafter the other shall not institute proceedings covering the same matter.* The amendment made by this subsection shall be effective only during the three year period beginning with the date of enactment of this Act, except that it shall continue effective thereafter with respect to complaints filed by either agency during such three year period.



Calendar No. 1489

85TH CONGRESS
2D SESSION

S. 1356

[Report No. 704]

[Report No. 1464]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1957

Mr. O'MAHONEY (for himself and Mr. WATKINS) introduced the following bill
which was read twice and referred to the Committee on the Judiciary

JULY 18 (legislative day, JULY 8), 1957

Reported by Mr. O'MAHONEY, with an amendment

MARCH 25 (legislative day, MARCH 17), 1958

Referred to the Committees on the Judiciary and Agriculture and Forestry
jointly with instructions

APRIL 22, 1958

Reported by Mr. HOLLAND, with an amendment each by the Committee on the
Judiciary and the Committee on Agriculture and Forestry

[The amendment of the Committee on the Judiciary strikes out all after the enacting clause
and inserts the part printed in italic

[The amendment of the Committee on Agriculture and Forestry inserts a substitute shown
in boldface type for the language inserted by the Committee on the Judiciary]

A BILL

To amend the antitrust laws by vesting in the Federal Trade
Commission jurisdiction to prevent monopolistic acts or prac-
tices and other unlawful restraints in commerce by certain
persons engaged in commerce in meat and meat products,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 That ~~(a)~~ subsection ~~(6)~~ of section 5 ~~(a)~~ of the Federal
 2 Trade Commission Act, as amended ~~(66 Stat. 632;~~ 15
 3 U. S. C. 45 ~~(a) (6))~~, is amended to read as follows:

4 “~~(6)~~ The Commission is hereby empowered and di-
 5 rected to prevent persons, partnerships, or corporations, ex-
 6 cept banks, common carriers subject to the Acts to regu-
 7 late commerce, and air carriers and foreign air carriers sub-
 8 ject to the Civil Aeronautics Act of 1938, from using unfair
 9 methods of competition in commerce and unfair or deceptive
 10 acts or practices in commerce.”

11 ~~(b)~~ Section 2 ~~(a)~~ of the Packers and Stockyards Act,
 12 1921, as amended ~~(42 Stat. 159, as amended;~~ 7 U. S. C.
 13 182), is amended by striking out:

14 ~~(1)~~ from the title thereof, the words “meat food
 15 products”, and the words “livestock products”;

16 ~~(3)~~ paragraph ~~(5)~~ thereof;

17 ~~(c)~~ Section 2 ~~(b)~~ of such Act ~~(7 U. S. C. 183)~~ is
 18 amended by striking out the words “and meat packing in-
 19 dustries, whereby livestock, meats, meat food products, live-
 20 stock products, dairy products, poultry, poultry products, or
 21 eggs,” and inserting in lieu thereof the words “industry,
 22 and whereby livestock,”.

23 ~~(d)~~ Title II of such Act ~~(7 U. S. C. 191-195)~~ is
 24 repealed.

25 ~~(e)~~ Sections 401 and 403 of such Act ~~(7 U. S. C. 221,~~

1 223) are amended by striking out, in each such section
 2 wherever they appear, the word "packer", and the words
 3 "Packer or any live poultry dealer or handler,".

4 (f) Section 502 (a) of such Act (7 U. S. C. 218a (a))
 5 is amended by striking out the words "packers as defined
 6 in title II of said Act and railroads", and inserting in lieu
 7 thereof the words "a railroad".

8 (g) Section 502 (b) of said Act (7 U. S. C. 218a
 9 (b)) is amended by inserting, immediately after the words
 10 "this Act", the words "or the Federal Trade Commission
 11 Act."

12 That (a) subsection (6) of section 5 (a) of the Federal
 13 Trade Commission Act, as amended (66 Stat. 632; 15
 14 U. S. C. 45 (a) (6)), is amended to read as follows:

15 "(6) The Commission is empowered and directed to
 16 prevent persons, partnerships, or corporations, except banks,
 17 common carriers subject to the Acts to regulate commerce,
 18 and air carriers and foreign air carriers subject to the Civil
 19 Aeronautics Act of 1938, from using unfair methods of com-
 20 petition in commerce and unfair or deceptive acts or practices
 21 in commerce."

22 (b) Section 2 (a) of the Packers and Stockyards Act,
 23 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
 24 182), is amended by striking out:

25 (1) paragraph (3) thereof; and

1 (2) paragraph (5) thereof.

2 (c) The title of such Act (7 U. S. C. 181, et seq.) and
3 the title of the Act where it appears in the preamble of the
4 Act of August 14, 1935 (49 Stat. 648), are amended by
5 striking out the words "livestock products, dairy products"
6 and the words "poultry products, and eggs".

7 (d) Section 2 (b) of such Act (42 Stat. 159; 7 U. S. C.
8 183) is amended by striking out the words "and meatpack-
9 ing industries, whereby livestock, meats, meat food products,
10 livestock products, dairy products, poultry, poultry products,
11 or eggs," and inserting in lieu thereof the words "industry,
12 and whereby livestock".

13 (e) Title II of such Act (42 Stat. 160; 7 U. S. C.
14 191-195) is repealed.

15 (f) Sections 401 and 403 of such Act (42 Stat. 168;
16 7 U. S. C. 221, 223) are amended by striking out, in each
17 such section wherever they appear, the word "packer", and
18 the words "packer or any live poultry dealer or handler,".

19 (g) Section 502 (a) of such Act (49 Stat. 648; 7
20 U. S. C. 218a (a)) is amended by striking out the words
21 "packers as defined in title II of said Act and railroads",
22 and inserting in lieu thereof the words "a railroad".

23 (h) Section 502 (b) of such Act (49 Stat. 648; 7

1 *U. S. C. 218a (b)) is amended by inserting, immediately*
2 *after the words, "this Act", the words "or the Federal Trade*
3 *Commission Act".*

4 *(i) Section 503 of such Act (49 Stat. 649; 7 U. S. C.*
5 *218b) is amended by striking out the first sentence thereof.*

6 That (a) subsection (6) of section 5 (a) of the Federal
7 Trade Commission Act, as amended (66 Stat. 632; 15
8 U. S. C. 45 (a) (6)), is amended to read as follows:

9 " (6) The Commission is empowered and directed to
10 prevent persons, partnerships, or corporations, except
11 banks, common carriers subject to the Acts to regulate
12 commerce, air carriers and foreign air carriers subject to
13 the Civil Aeronautics Act of 1938 and except as provided
14 in section 406 (b) of the Packers and Stockyards Act, 1921
15 (42 Stat. 199, as amended; 7 U. S. C. 182), from using
16 unfair methods of competition in commerce and unfair or
17 deceptive acts or practices in commerce."

18 (b) Section 406 (b) of the Packers and Stockyards Act,
19 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), is amended
20 to read as follows:

21 "(b) On and after the enactment of this Act, and
22 so long as it remains in effect, the Federal Trade Com-

1 mission shall have no power or jurisdiction so far as
2 relating to any matter which is made subject to the juris-
3 diction of the Secretary—

4 “(1) by title II of this Act if it concerns either
5 (i) livestock or live poultry, or (ii) any other product
6 in a form other than one in which it is marketed by
7 the packer, poultry dealer, or poultry handler; or

8 “(2) by titles III or V of this Act,
9 except in cases in which, before the enactment of this Act,
10 complaint has been served under section 5 of the Act en-
11 titled ‘An Act to create a Federal Trade Commission, to
12 define its powers and duties, and for other purposes,’
13 approved September 26, 1914, or under section 11 of the
14 Act entitled ‘An Act to supplement existing laws against
15 unlawful restraints and monopolies, and for other pur-
16 poses’, approved October 15, 1914, and except when the
17 Secretary of Agriculture, in the exercise of his duties
18 hereunder, shall request of the said Federal Trade Com-
19 mission that it make investigations and report in any case.
20 The Secretary and the Federal Trade Commission shall
21 maintain such liaison as is necessary to avoid unnecessary
22 duplication of effort in the field covered by this Act. Each
23 shall give immediate notice to the other of the filing of a
24 complaint by either agency with respect to any matter
25 over which both have jurisdiction, and thereafter the

1 other shall not institute proceedings covering the same
2 matter.”

3 The amendment made by this subsection shall be
4 effective only during the three-year period beginning with
5 the date of enactment of this Act, except that it shall
6 continue effective thereafter with respect to complaints
7 filed by either agency during such three-year period.

8 (c) Section 202 of the Packers and Stockyards Act,
9 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181
10 and the following), is amended by inserting after the word
11 “unlawful” the words “with respect to livestock, meats,
12 meat food products, livestock products in unmanufactured
13 form, poultry, or poultry products”.

14 (d) Section 201 of the Packers and Stockyards Act,
15 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181
16 and the following), is amended by inserting at the end
17 thereof the following: “A change in any person’s status as
18 a packer or live poultry dealer or handler after a trans-
19 action or act has occurred shall not affect the authority or
20 jurisdiction of the Secretary or the Federal Trade Com-
21 mission to institute proceedings and issue orders based
22 upon such transaction or act applicable to such person or
23 such action as may be provided by law for the enforcement
24 of such orders.”

1 (e) The caption to title III, appearing immediately
2 before section 301 of such Act (42 Stat. 163; 7 U. S. C.
3 201) is amended by adding, immediately following the word
4 “Stockyards”, the words “And Livestock Transactions”.

5 (f) Section 301 (c), section 301 (d), and section 312
6 (a) of title III of such Act (42 Stat. 163 and 167; 7 U. S. C.
7 201 and 213) are amended by striking out in each such
8 section, wherever they appear, the words “at a stockyard”.

9 (g) Section 302 (a) of title III of such Act (42 Stat.
10 163; 7 U. S. C. 202a) is amended by striking out the last
11 sentence thereof.

12 (h) Section 303 of title III of such Act (42 Stat. 163;
13 7 U. S. C. 203) is amended by inserting after the first
14 sentence thereof the following sentence: “Every other
15 person operating as a market agency or dealer as defined
16 in section 301 of the Act may be required to register in
17 such manner as the Secretary may prescribe.”

18 (i) Section 311 of title III of such Act (42 Stat. 167;
19 7 U. S. C. 212) is amended by striking out the words
20 “stockyard owner or market agency” wherever they occur
21 and inserting “stockyard owner, market agency, or dealer”,
22 and by striking out “stockyard owners or market agencies”
23 and inserting “stockyard owners, market agencies, or
24 dealers”.

85TH CONGRESS
2D SESSION

S. 1356

[Report No. 704]
[Report No. 1464]

A BILL

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

By Mr. O'MAHONEY and Mr. WATKINS

FEBRUARY 25, 1957

Read twice and referred to the Committee on the
Judiciary

JULY 18 (legislative day, JULY 8), 1957

Reported with an amendment

MARCH 25 (legislative day, MARCH 17), 1958

Referred to the Committees on the Judiciary and Agriculture and Forestry jointly with instructions

APRIL 22, 1958

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 2, 1958
For actions of May 1, 1958
85th-2d, No. 69

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HIGHLIGHTS: Rep. Brown, Mo., introduced and discussed self-help dairy stabilization bill. Rep. Reuss introduced and discussed bill to provide direct payments to dairy farmers. Rep. Hill inserted Secretary's testimony on dairy stabilization bills.		

HOUSE

1. FOREIGN TRADE. Rep. Bailey inserted an article by Professor David Clark discussing extension of the Reciprocal Trade Agreements Act, "The Coming Controversy in Congress Over the Extension of the Trade Agreements Act and the Approval of the United States Membership in the Organization for Trade Cooperation - With a Background Review." pp. 7117-20
Rep. Byrd urged that U. S. foreign aid and trade programs be "approached in a more realistic manner." pp. 7121-22
2. UNEMPLOYMENT COMPENSATION. Passed with amendments H. R. 12065, to extend unemployment compensation to individuals who have exhausted their benefits. pp. 7069-7111
3. TEXTILE IMPORTS. Rep. Rogers, Mass., urged greater restrictions on the importation of cotton velveteens from Japan. p. 7120
4. SMALL BUSINESS. Rep. Patman inserted correspondence between himself and Gov. Almond of Va., discussing the merits of establishing a system of small business capital banks, and the statement of Gov. Roberts of R. I. favoring such banks. pp. 7123-24

5. COPYRIGHTS. The Judiciary Committee reported with amendment H. R. 8419, to provide a legal remedy for owners of copyrights against infringements by the U. S. Government (H. Rept. 1682). p. 7125
6. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Consent Calendar will be called Mon., May 5, the Private Calendar on Tues., and bills on Alaska statehood and extension of the Export-Import Bank may be considered next week. pp. 7112-13
7. ADJOURNED until Mon., May 5. p. 7125

SENATE

8. IMPORTS. Passed without amendment H. R. 10112, to make permanent the existing privileges of free importation of guar seed. This bill will now be sent to the President. p. 7038
Passed without amendment H. R. 11407, to extend for two years the law allowing free importation of personal and household goods brought into the United States under Government orders. This bill will now be sent to the President. p. 7038
At the request of Sen. Talmadge, passed over S. 666, to increase the duty on imported wheat treated with poisonous substances which is unfit for human consumption. p. 7029
Passed as reported H. R. 2151, to suspend for 3 years the import duties on certain coarse wools. p. 7038
9. WOOL PRICE SUPPORTS. At the request of Sen. Clark, passed over S. 2861, to extend for 4 years additional the National Wool Act of 1954. p. 7033
10. WILDLIFE. At the request of Sen. Talmadge, passed over S. 2617, to authorize the purchase of wetlands and small areas for migratory bird sanctuaries. p. 7031
11. PERSONNEL. At the request of Sen. Talmadge, passed over H. R. 4640, to amend the Civil Service Retirement Act to permit persons transferring to Non-Act positions to retain voluntary contribution accounts. p. 7031
At the request of Sen. Clark, passed over S. 3195, to authorize certain retired personnel of the U. S. Government to accept and wear decorations, presents, and other gifts from certain foreign countries. p. 7031
12. PACKERS. At the request of Sen. Talmadge, passed over S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC. p. 7033
13. AREA REDEVELOPMENT. At the request of Sen. Clark, passed over S. 3683, to provide for area redevelopment program. p. 7039
14. RECLAMATION. At the request of Sen. Hruska and Sen. Talmadge, passed over S. Res. 299, to accelerate construction of various reclamation projects in 17 Western States. p. 7041
15. TEXTILES. At the request of Sen. Talmadge, passed over S. Res. 287, to authorize a study of the textile industry (p. 7035). This measure later was made the Senate's unfinished business (p. 7042).

Liszczyński, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 3, after the word "the", to strike out "provision of section" and insert "provisions of sections"; in line 4, after the numeral "(1)", to insert "and 212 (a) (7)"; at the beginning of line 11, to strike out "this exemption" and insert "these exemptions", and, in the same line, after the word "to", to strike out "a ground" and insert "grounds"; so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of sections 212 (a) (1) and 212 (a) (7) of the Immigration and Nationality Act, Peter Liszczyński, may be issued a visa and admitted to the United States if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of said act: *Provided further*, That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HERTA WILMERSDOERFER

The Senate proceeded to consider the bill (S. 3019) for the relief of Herta Wilmersdoerfer, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "Act", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act:", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (1) and (4) of section 212 (a) of the Immigration and Nationality Act, Herta Wilmersdoerfer may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *Provided further*, That this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2861) to extend for an additional 4-year period the provisions of the National Wool Act of 1954, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

FREE IMPORTATION OF CERTAIN ARTICLES FROM FOREIGN COUNTRIES

The bill (H. R. 9655) to permit articles imported from foreign countries for the

purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, the bill (H. R. 9655) which has just passed the Senate, was introduced on the House side by Oregon's very capable and effective Congresswoman, EDITH GREEN. As soon as this bill becomes law, it will be of tremendous help to the State of Oregon in connection with the Oregon State Centennial Exposition and International Trade Fair to be held in Portland in 1959.

This bill will permit exhibit articles imported from foreign countries to be admitted without the payment of tariff. I congratulate Congresswoman GREEN and express appreciation to the members of the Senate Finance Committee for the speed with which this bill was handled.

While I am on the subject, I wish to take this opportunity to applaud the efforts of Governor Robert Holmes, the officials of the Oregon State Centennial Exposition and Trade Fair, and the people of Oregon for their endeavors to bring to the exposition the products and tangible evidence of achievements of people from all parts of the world and from all areas of our Nation. This exchange of knowledge will cover a great many areas of human endeavor and is bound to bring lasting benefits to the State of Oregon and our Nation.

In these times of crisis and seemingly all-pervading atmosphere of distrust, perhaps the people of Oregon can in some measure open the door to mutual trust among people throughout the world. Perhaps that mutual understanding and confidence which, apparently, cannot be established through diplomatic channels, can be accomplished through the atmosphere of common understanding that will be created as a result of the Oregon Exposition.

The action of the Senate Finance Committee and of the United States Senate on H. R. 9655 will contribute much to the success of the Oregon Centennial Exposition and International Trade Fair.

BILLS PASSED OVER

The bill (S. 1356) to amend the anti-trust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, was announced as next in order.

Mr. TALMADGE. Over, as not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3632) to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

ACCEPTANCE OF STATUE OF CHARLES MARION RUSSELL TO BE PLACED IN STATUARY HALL

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 80) accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall.

Mr. MURRAY. Mr. President, in connection with the Charles M. Russell resolution which is now being considered, I am happy to state that in October the State of Montana will be represented in Statuary Hall by a statue of Charles M. Russell, Montana's great cowboy artist. Also during October a fine collection of Charlie Russell's original paintings and illustrations will be displayed in the National Museum of Fine Arts.

I am pleased to note a growing appreciation for Charlie Russell as a man and as an artist, who accurately pictured an exciting era in American history.

The current issue of True magazine carries an excellent article about him, along with reproductions of some of his pictures. I should like to point out that in addition to the wonderful museum of Russell art in Helena, referred to in the article, there is also a museum in Great Falls with a fine collection of his work.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article from True magazine, by Huntington Smith, entitled "Oilpaint and Warpaint."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OILPAINT AND WARPAINT

(By Huntington Smith)

Long after Charlie Russell achieved fame as one of the greatest painters of the Old West, he still wrote letters to friends he had known while riding the range. In one of these letters he said: "If the buffalo would come back tomorrow, I wouldn't be slow shedding to a breech clout, and it's a cinch you wouldn't get homesick in a skin lodge."

Russell's West had long since vanished when he wrote those lines, but he lived in it still. In 1880, just before his 16th birthday, he left a comfortable home in St. Louis headed for Montana. He never returned except as a visitor. He painted the West from the inside, and he loved everything he painted.

On the roundups he carried a box of water colors in his bedroll. He sketched and painted on box lids, tobacco tins, blue-lined tablet paper and anything else that came to hand. He gave his pictures away or traded them for drinks. Today a Russell painting brings as much as \$20,000. He always kept a ball of beeswax in his pocket, out of which he modeled enchantingly life-like little figures of horsemen and animals, then crushed them back into the ball again so he could make another. He never gave a hoot for money or success.

Despite the reckless scattering of his early work there are some 2,500 of his paintings in existence, plus 70 bronze subjects, any number of pen-and-ink drawings, letters, and a few small precious clay figures which survived his prodigal unconcern. Two museums, in Helena, Mont., and in Claremont, Okla., now hold many of his best works and

a third large collection is owned by the Carter foundation in Fort Worth, Tex.

In 1864, when Russell was born, St. Louis was still haunted by memories of the fur trade. Plainsmen in buckskin still got drunk in the bars; soldiers were coming and going to the Indian wars; great steamboats tied up at its docks and it was the greatest mule market in the world. Charlie had a healthy taste for so-called low company, and he hung around the waterfront and the mule barns, drawing everything he saw. His father tried to interest him in the family business of brick manufacturing, but it was no use; the boy was hell-bent to go west.

His parents were kindly people who were at wits end over the behavior of their son. He hated school and wouldn't study. He played hookey and ran away from home. He was sent to a military school in New Jersey, where he did little except march off demerits. Back home next year, aged 14, he was entered in an art class in hopes that would keep him happy, but he walked out after 3 days because the instructor, dissatisfied with his drawing of a plaster foot, hadn't yet told him what was wrong with it.

"Besides, I wanted to draw something alive," Charlie said. That class was almost the sum total of his formal art schooling.

Once he saved up \$64 out of his allowance and odd-job money, hoping to accumulate enough for a start west. But his mother found the cache in a bureau drawer and put it in the bank for him. This dirty trick was the last straw. There were more storms and scenes, until the exhausted elder Russells gave in. They arranged for him to make a trip to Montana with a friend of his father's.

Montana was on the upbeat in 1880. The cowmen had run the Indians off; the nesters hadn't yet run the cowmen off; there was a stage station called Ubet, and another town called Beef Straight. Creeks were named Dead Man and Whoop-up—and lived up to their names. But Charlie managed to gain a reputation for being ornery even in this wide, free and uproarious land. His father's friend was a sheepman. Promptly manifesting the instincts of a true cowboy, Charlie hated sheep and let most of them get away.

Before long, he struck out on his own with two old work horses—riding one and packing his bed on the other. He found haven in the mountain cabin of Jake Hoover, whose deep outdoor knowledge and sensitive understanding were just what the rebellious boy needed. Hunting and riding traplines with Jake, he learned enough about the anatomy and habits of wild creatures to last him a lifetime of painting.

"Jake was a skin hunter but he wasn't wasteful; he sold all the meat he couldn't use to ranchers," said Russell, who never could bear squandering the lives of animals.

In the spring of 1881, the foreman of the Judith roundup needed a night horse wrangler, and "Kid" Russell was hired to night-hawk the cavy of 400 horses needed to hunt 75 hard-riding men. One of the cowmen with the roundup asked about the new hand and was told it was that kid who drew pictures so real.

"Well, if it's that Buckskin Kid I'm betting we'll be afoot in the morning," grumbled the cowman. But they weren't afoot, and Russell rode for the outfit for 11 years.

Though celebrated as the cowboy artist, Russell himself never claimed to be either an artist or a cowboy. In art he called himself an illustrator. On the range he was a night wrangler, watching over the horses in the spring the beef herd in the fall.

"I am not what the people think a cowboy should be. I was neither a good roper nor rider," he said modestly. But to be placed in charge of a beef herd at night, when a stampede could cost the owners tens of

thousands of dollars in lost weight, was the peak of responsibility.

In the eighties the Plains Indians were no longer on the warpath but they were far from tame. They roved the country in hunting parties, occasionally throwing a scare into some rancher; they camped on the edges of towns when a Fourth of July celebration was going on. Russell and his scalawag friend, Teddy Blue, never passed up a chance to visit them. There were attractions in the Indian camps.

"We were starving for the sight of a woman," Blue wrote after passing the safe age of 70. "Some of these young squaws were awful good looking, with their fringed dresses of soft deer or antelope skin that hung just below the knees—that was all they wore, just the dress—and their beaded leggings and wide beaded belts. Oh boy, but they looked good to us."

In the fall of 1888, Russell took it into his head to visit the Blood Indians, relatives of the Blackfoot Tribe, in Canada. He stayed 6 months, living as one of them. While with the Bloods, Russell acquired his Indian name, Ah-Wah-Cous, meaning antelope. Little else has been revealed. Most white men who lived any length of time with the Indians were sufficiently Indianized themselves to be uncommunicative after their return to civilization. Charlie Russell transmuted some of what he knew into his paintings, but he kept the rest to himself.

He painted Indians as he painted cowboys, with detailed knowledge and complete accuracy. Once someone called him for a supposed error; an Indian belonging to a certain tribe had been pictured wearing the beadwork characteristic of another tribe.

"Well he couldn't help it, because that was the tribe his wife belonged to," was Russell's rejoinder.

Another time a cattleman friend was visiting him in his studio while he worked. Without looking around Russell said, "Tell me a brand that would be on a horse coming from Mexico." The cattleman, who knew Mexico, described one. Russell painted it. He never pictured a brand on an animal that wasn't real. Some critics questioned whether such exactitude had much to do with art, but today his work is doubly valued because it is a gold mine of authenticity for historians, writers, and anyone else seeking to recreate the bygone West.

In 1889 some of the outfits Russell worked for moved their herds north of the Missouri to Milk River. He went with them, but 1892 was his last year of regular range work. The country was changing and so was he. He painted and drifted and drank, some sort of a ferment working in him. Cowpunching being a seasonal occupation in the main, most of the boys were out of a job during the cold months. One winter Russell was holed up with a broken-down prizefighter, a laid-off roundup cook, a slightly unlucky gambler, and other desperadoes in a shack which they christened the Red Onion. Next winter he threw in with a similar combine which a local editor dubbed the Hungry Seven. Charlie painted his arm off to feed and likker them.

Despite all these monkeyshines he was becoming known. One of the best of his early oils had been reproduced in *Harpers' Weekly*, and a few of his sketches had been published. But he and money just couldn't seem to get along. When cash customers were found who were willing to pay him \$5 or \$10 for a picture he referred to them as suckers, not so much in a spirit of ingratitude as of apology. The saloon men in Great Falls were among his earliest admirers and promoters. One time one of them sang his praises to a wool buyer from Boston who ordered two pictures. When asked how much he wanted, Russell told the man he wanted \$50. Thinking Russell meant \$50 apiece, the man handed over a check for \$100. Russell

took the check, but he told friends that it ate at his conscience for years afterwards.

In 1895, when Russell was 31, he met and married a girl named Nancy Cooper, whom he met at at supper one night at a saddle-maker's in Cascade, Mont. His proposal was typical Russell.

"Nancy," he said, "don't you want to throw in with me? I think I can scrape up enough grub to feed us both for a while." The girl, mistaking the proposal for a proposition, stalked away from the puzzled cowboy. It wasn't for quite a while that Russell learned what the matter was, and when he found out he walked straight up to the girl and said, "Hell, no. I want you to marry me." She did; and, as Will Rogers remarked long after, the last Russell painting had been traded over a bar.

"Mame," as he always called her, had courage and commonsense and a fierce belief in her husband's greatness; and she set about to get what his pictures were worth. Early in their life together they had an appointment with Montana's millionaire mining magnate, Senator Clark. Nancy resolved to ask \$350 from such a prospect. "You won't get it," Charlie scoffed—but she did.

Toward the end of his career he was paid \$30,000 for a mural in the home of an oil man. When the check came he squinted unbelievably and asked his wife to read the figures to him.

"Why Mame, that's dead men's prices," was his awed comment.

Some of his old pals never were reconciled to "that damn woman." Among them was old John Mathewson, the freighter, whose huge, horsedrawn wagon convoys that supplied northern Montana in Territorial days live on in Russell's great painting, *The Jerkline*.

"John was dirty and so hairy that his tangle of whiskers hid most of his face except his eyes. He knew all about horses and mules and freight wagons, but nothing about the inside of a house," said Russell's ranching partner, Con Price. One night when Nancy was away, John came to visit the artist in the comfortable, unpretentious home in Great Falls.

"This is a hell of a wickiup for you to be living in," he said reproachfully. He was thrown for a loss by the bathroom. When Charlie offered to show him how its equipment worked, Mathewson refused, cursing freely, and made for the back yard.

In 1903 the Russells decided it was time to storm New York. They had a good deal of trouble getting together a portfolio of water colors to show to editors and publishers, because Charlie kept giving them away. But in time they arrived in Manhattan, and took a room at a small hotel called the Park View, which, as Charlie said, "didn't have no view of no park." He hung his oils in a little basement studio, while Nancy trudged around with the portfolio. The trip was no great success financially, but Charles Marion Russell was on his way.

As critics now see it, he reached his peak in the years 1903 to 1915, painting 65 major canvases in that golden decade, and branching out into bronzes besides. The little ball of beeswax was paying off. The climax was 1911, when 25 pictures were shown to New York in a 1-man exhibition. This brought worldwide recognition and a series of 1-man shows, including one in London in 1914. As he blossomed into a reluctant social lion he learned to submit to formal evening parties, even formal evening attire. But through all the wining and dining he clung to his personal symbols: cowboy boots and a French halfbreed sash.

Russell was far from the simple child of nature the legend pictures him. It took an old, blunt-spoken cowman, Con Price, to put his finger on that. "Charlie was a great artist and left a very loving memory behind him, but I often wonder if any of us knew

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 8, 1958
For actions of May 7, 1958
85th-2d, No. 72

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HIGHLIGHTS: House Rules Committee cleared bill to transfer certain functions under Packers and Stockyards Act to FTC. House passed bill to fix price support on extra long-staple cotton at 60 to 75 percent of parity. House committee reported bill to extend mutual security program. Rep. Bow urged rejection of quotas in wheat referendum.

HOUSE

1. PACKERS AND STOCKYARDS. The Rules Committee reported a resolution for consideration of H. R. 9020, to transfer certain functions under the Packers and Stockyards Act from this Department to the Federal Trade Commission. p. 7402
2. COTTON. Passed without amendment H. R. 11399, to authorize the Secretary to set the level of price support for extra long-staple cotton at between 60 to 75 percent of parity. p. 7389
3. MUTUAL SECURITY. The Foreign Affairs Committee reported without amendment H. R. 12181, to extend the mutual security program (H. Rept. 1696). p. 7402
4. WEATHER MODIFICATION. The Interstate and Foreign Commerce Committee reported with amendment S. 86, to provide for a research program in the field of weather modification to be conducted by the National Science Foundation (H. Rept. 1695). p. 7402
5. EXPORT-IMPORT BANK. The Rules Committee reported a resolution for consideration of H. R. 10459, to increase the lending authority of the Export-Import Bank of Washington. p. 7402

6. VIRGIN ISLANDS. The Interior and Insular Affairs Committee ordered reported H. R. 12226, to extend the charter of the Virgin Islands Corporation to June 30, 1969. p. D394
7. FORESTRY. The Interior and Insular Affairs Committee ordered reported H. R. 6198, to transfer approximately 6,000 acres of land from the Sequoia National Park to the Sequoia National Forest, Calif. p. D394
8. WHEAT QUOTAS. Rep. Bow urged all eligible farmers to vote in the wheat quota referendum to be held June 20, stating that "in my own district we have a growing spirit of rebellion against the wheat law," and that "last year 22.6 percent of the farmers eligible to vote placed marketing quotas in effect on all wheat farmers." He also inserted a newspaper editorial urging wheat farmers to vote in the referendum. p. 7401
9. ECONOMIC SITUATION. Rep. Reuss urged a program to raise incomes and lower prices, including direct production payments to family-sized farms, and inserted a newspaper article discussing the current income and price situation. pp. 7392-94
10. BEANS. Rep. Bentley discussed increased production and consumption of beans. p. 7390
11. RECIPROCAL TRADE. Rep. Baily urged greater congressional control over reciprocal trade agreements, and urged "legislation that would restore congressional control at the very minimum to the point of controlling the escape clause remedy." pp. 7399-7400
12. POSTAL RATES. The "Daily Digest" states that conferees continued to resolve differences on the postal rate and pay increase bill, and "announced that agreement had been reached on a preferential rate of 2 cents for handwritten Government post cards." p. D396

SENATE

13. FORESTRY. Passed as reported S. 3051, to provide alternatives of either private or Federal acquisition of the part of the Klamath Indian forest lands which must be sold under the Termination Act. pp. 7352-63
Sen. Neuberger inserted an article urging passage of the Klamath bill. p. 7335
Sen. Wiley inserted a letter from the Menominee Coordinating and Negotiating Committee urging full Federal reimbursement for the sums spent by the Menominees in preparing for the Termination Act to become effective and opposing any change in the Termination Act. pp. 7334-5
Sen. Javits inserted resolutions of two N. Y. County Boards urging that the last day of April be fixed as National Arbor Day. p. 7326
14. FOREIGN AID. Sen. Wiley submitted an amendment to S. 3318, to extend the Mutual Security Act, which would make certain authorizations permanent, including technical aid, with the Organization of American States, refugee relief, the U. N. children's fund, ocean freight relief shipment charges, and Battle Act expenses. p. 7331
Sen. Mansfield submitted an amendment to this bill, to transfer the functions of the International Cooperation Administration to the Department of State. pp. 7331-2

CONSIDERATION OF H. R. 9020

MAY 7, 1958.—Referred to the House Calendar and ordered to be printed

Mr. THORNBERRY, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 559]

The Committee on Rules, having had under consideration House Resolution 559, reports the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 193

85TH CONGRESS
2D SESSION

H. RES. 559

[Report No. 1697]

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 1958

Mr. THORNBERRY, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 9020) to amend the
5 Packers and Stockyards Act, 1921, as amended, and for other
6 purposes. After general debate, which shall be confined to
7 the bill and continue not to exceed two hours, to be equally
8 divided and controlled by the chairman and ranking mi-
9 nority member of the Committee on Agriculture, the bill
10 shall be read for amendment under the five-minute rule. At
11 the conclusion of the consideration of the bill for amendment,
12 the Committee shall rise and report the bill to the House

1 with such amendments as may have been adopted, and the
2 previous question shall be considered as ordered on the bill
3 and amendments thereto to final passage without interven-
4 ing motion except one motion to recommit.

House Calendar No. 193

85TH CONGRESS
2D SESSION

H. RES. 559

[Report No. 1697]

RESOLUTION

Providing for the consideration of H. R. 9020,
a bill to amend the Packers and Stockyards
Act, 1921, as amended, and for other pur-
poses.

By Mr. THORNBERRY

MAY 7, 1958

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 15, 1958
For actions of May 14, 1958
85th-2d, No. 76

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HIGHLIGHTS: House passed mutual security authorization bill. Senate committee ordered reported bill to amend Federal Seed Act. Senate made Packers and Stockyards bill unfinished business.

SENATE

1. THE AGRICULTURE AND FORESTRY COMMITTEE ordered reported the following bills:
S. 1939, without amendment, to amend the Federal Seed Act; S. 3076, without amendment, to authorize the transportation in the U. S. of live foot-and-mouth disease virus for research purposes; S. 3478, without amendment, to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus; H. R. 6765, without amendment, to repeal the prohibition against cotton acreage reports based on farmers' planting intentions; H. R. 8490, with amendment, to make two technical adjustments in the law relating to rice acreage allotments, to provide for reassignment of such allotments when the land on which the allotment has previously been made is taken for public purposes, and to increase marketing quota penalties; and a clean bill in lieu of S. 672 and S. 2490, providing for the control of noxious weeds on Federal lands. pp. D413-14
2. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: Ellison Creek, Miss., Little Pudding River, Oreg., Little Tallapoosa River, Ga., Mud Creek, N. C., Prairie Creek, Inc., and Swan-Buffalo Creek, N. C. p. D414

3. NOMINATIONS. The Agriculture and Forestry Committee reported the nominations of Marvin J. Briggs, of Ind., and Frank Stubbs, of Tex., to be members of the Federal Farm Credit Board. p. 7748
4. TEXTILES; WILDLIFE. The Interstate and Foreign Commerce Committee ordered reported with amendments H. R. 469, to provide protection of the public against misbranding and false advertising of the fiber content of textile fiber products, and S. 2447, to authorize studies of the effects of insecticides upon fish and wildlife. p. D414
5. CCC. Received from the Comptroller General an audit report on the Commodity Credit Corporation for fiscal 1957. p. 7733
6. EDUCATION. Both Houses received from HEW a proposed bill to "facilitate administration of the act authorizing cooperative research in education"; to H. Education and Labor and S. Labor and Public Welfare Committees. pp. 7733, 7853
7. TAXES. The Judiciary Committee reported with amendment S. 586, to extend the time for filing of claims under sec. 6420 of the Internal Revenue Code of 1954 for refund of taxes on gasoline used on farms between Jan. 1, 1956 and June 30, 1956 (S. Rept. 1577). p. 7737
8. STATEHOOD. Sen. Yarborough inserted a newspaper editorial urging statehood for Alaska, "The Case for Alaska: Reasons for Granting Statehood Summarized." p. 7743
9. FOREIGN TRADE. Sens. Wiley and Smathers spoke in favor of an expanded trade program between the U. S. and Latin America. pp. 7747, 7775-80
10. HUMANE SLAUGHTER. Sen. Neuberger inserted a release urging the use of humane methods in the slaughter of animals, "Protestants, Catholics Ask More Humane Animal Slaughtering." pp. 7765-66
11. POSTAL RATES. Sen. Johnston announced that "conferees on the postal rate and pay bill (H. R. 5836) have today completed their work, and we hope to have the report drafted and submitted to the Senate Monday." p. 7780
12. MEATPACKERS. S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to the Federal Trade Commission, was made the unfinished business. p. 7795

HOUSE

13. FOREIGN AID. Passed, 259 to 134, with amendments, H. R. 12181, to extend the mutual security program. pp. 7796-7842
Agreed to an amendment by Rep. Feighan to provide that no assistance under the act shall be furnished to Yugoslavia unless the President reports his reasons therefor to Congress. pp. 7796-97
Rejected, 34 to 58, an amendment by Rep. Bentley which he stated would have provided "that the dollars loaned to a foreign government or to individuals under the revisions of title II, the Development Loan Fund, would have to be spent inside the United States, unless the delivered price of these commodities for the purchase of which the loan funds would be used exceeds 15 percent of a delivered price from foreign sources, unless these commodities are not available." pp. 7804-05

"(2) 'service connected disabilities' means disabilities determined by the Veterans' Administration under laws which it administers to be connected with the service described in paragraph (1) of this section."

SEC. 2. Such act is further amended by adding at the end thereof the following new section:

"Sec. 7. The amendments made to the first four sections of this act by the act enacting this section shall not affect the availability and use of appropriations made before the date of enactment of this section for the purposes of this act as it then existed."

SEC. 3. (a) Paragraph IV of Veterans Regulation Numbered 6 (a), as amended (38 U. S. C. Ch. 12A), is hereby amended by inserting after "Provided, That" the following: "the Administrator of Veterans' Affairs may, in his discretion, furnish medical or hospital care, including treatment in the Republic of the Philippines for disabilities due to service in the Armed Forces of the United States to otherwise eligible veterans, irrespective of citizenship status or nature of residence: And provided further, That."

On page 6, at the beginning of line 3, to strike out "(b)" and insert "(a)"; in line 23, after the word "war", to insert "who was domiciled in the Philippines on July 4, 1946, and who continues to be so domiciled"; on page 7, at the beginning of line 5, to strike out "(c)" and insert "(b)", and in the same line, after the word "Section", to strike out "521" and insert "522"; at the beginning of line 9, to change the section number from "4" to "2"; in line 24, after the word "the", to strike out "plant" and insert "plan"; on page 11, at the beginning of line 8, to change the section number from "5" to "3"; at the beginning of line 15, to change the section number from "6" to "4"; in line 19, after the word "appropriations", to strike out "heretofore"; at the beginning of line 21, to strike out "60" and insert "62"; after line 22, to strike out:

SEC. 7. Paragraph (203) of section 2202 of the Veterans' Benefits Act of 1957 is amended (1) by inserting "(A)" immediately after "(203)"; (2) by striking out "1938" and inserting "1948"; and (3) by adding at the end thereof the following:

"(B) The act of July 1, 1948 (62 Stat. 1210; 50 App. U. S. C., secs. 1991-1996)."

On page 12, after line 4, to insert:

SEC. 5. The act of July 1, 1948 (62 Stat. 1210; 50 App. U. S. C., secs. 1991-1996), is hereby repealed.

And, at the beginning of line 7, to change the section number from "6" to "6."

Mr. THURMOND. Mr. President, under Public Law 865 of the 80th Congress, which was approved on July 1, 1948, the United States financed the construction of the Veterans Memorial Hospital at Manila, in the Republic of the Philippines. That hospital was opened on November 20, 1955. Two years of experience with the operation of the hospital by the Government of the Republic of the Philippines have made it apparent that certain changes in the agreement under which the hospital is now operating would be mutually desirable, both to our Government and to that of the Republic of the Philippines.

This proposed legislation would authorize modification of the existing agreement, so as to permit the following changes:

First. It would make it possible for the

Administrator of Veterans' Affairs in this country to contract for the hospital care of veterans with service-connected disabilities of the organized military forces of the Commonwealth of the Philippines, including recognized guerrillas, while such forces were in the service of the Armed Forces of the United States.

Second. It would permit the Veterans' Administration to pay for medical care rendered to American veterans in the Philippines for service-connected disabilities.

Third. It would permit the hospital to provide outpatient care to veterans of the Philippine Commonwealth Army who, under the existing agreement, can receive only in-hospital services. By permitting the provision of outpatient services, the length of the hospitalization would be materially shortened and the cost of the hospitalization today being provided patients would be materially reduced.

Fourth. It would permit the provision of care in the hospital to veterans who served in the old American Scouts in the United States Army prior to the Philippine independence.

And finally, to the extent that beds are available, the Government of the Republic of the Philippines would be given the right to admit its own non-veteran citizens to the hospital. This provision is considered of utmost importance, inasmuch as this hospital is potentially one of the finest in the entire Far East; and, if a sufficiently wide variety of cases can be admitted to the hospital, it could well become one of the finest teaching hospitals in that part of the world.

The Committee on Labor and Public Welfare has made several amendments to the bill as it was received from the House. With one exception, all of those amendments are purely technical, and were adopted in order to bring this proposed legislation into consonance with the language of Public Law 85-56, which consolidated and simplified previous veterans' laws, including those concerning hospitalization.

The one nontechnical amendment made by the committee is to limit care for non-service-connected cases to those American veterans who were domiciled in the Philippines before that country received its independence, and who are in financial need. This amendment means that veterans of our forces who became bona fide residents of the Philippines while it was considered United States Territory can receive the same services in this hospital that they would receive at one of our own veterans' hospitals if they were resident in the United States. It means, too, that this Government would assume no more responsibility for veterans suffering from non-service-connected disabilities who chose to make their homes in the Republic of the Philippines after that nation had become independent than our Government assumes for veterans who have decided to make their homes in other foreign nations.

The bill, Mr. President, is apparently noncontroversial; and its prompt passage is considered desirable by the Veterans' Administration and by our Department of State.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc; and that the bill as thus amended be considered as original text, for the purpose of amendment.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6908) was read the third time, and passed.

CONTROL OF COMMERCE IN MEAT AND MEAT PRODUCTS

Mr. THURMOND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1489, Senate bill 1356. It is the desire to have the bill made the unfinished business of the Senate.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina.

The motion was agreed to and the Senate proceeded to consider the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment.

ADJOURNMENT

Mr. THURMOND. Mr. President, I move that the Senate adjourn until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 7 o'clock and 10 minutes p. m.) the Senate adjourned until tomorrow, Thursday, May 15, 1958, at 12 o'clock noon.

CONFIRMATION

Executive nomination confirmed by the Senate, May 14, 1958:

COMMISSION ON CIVIL RIGHTS

Gordon MacLean Tiffany, of New Hampshire, to be Staff Director for the Commission on Civil Rights.

NOMINATION

Executive nomination received by the Senate May 14, 1958:

FEDERAL POWER COMMISSION

John B. Hussey, of Louisiana, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1963, vice Seaborn Lee Digby, term expiring.

House of Representatives

WEDNESDAY, MAY 14, 1958

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:
Psalm 31: 24: *Be of good courage and He shall strengthen your heart; all ye that hope in the Lord.*

Almighty God, may we now offer unto Thee our prayers of gladness and gratitude for Thou art our help for today and our hope for tomorrow.

From Thy great heart of grace and goodness our own human hearts draw their loftiest aspirations, their love and longing for truth, and their hunger and thirst for righteousness.

Grant that our vision of Thy divine will may be so clear and commanding that all that is within us shall rise up and follow it.

Inspire us in the tumult and terror of these days to look unto Thee for strength and courage.

Hear us for the sake of our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3683. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

STORY OF FREE ENTERPRISE

(Mr. ALGER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ALGER. Mr. Speaker, for a week I have been driving a car that can only go forward. The rear gear broke. Needing transportation, while awaiting the mechanic's pleasure, I have kept driving. I have to beware certain situations—deadend streets lacking turn-arounds, being hemmed in while parked, inclines where forward progress can be blocked. Parking is a real challenge and necessitates climbing the curb with the right front wheel before settling in place. I appreciate the importance of a rear gear. Such driving takes some planning ahead. Though trapped several times, I have managed to go again.

This motoring predicament has suggested many analogies to me relating to private enterprise. Take locomotion itself. The whole idea is to go forward. Yet, there is a time to back up as a

prelude to going forward again. Backing up is not an end in itself. Stopping and backing up are not bad, just necessary—even though I have temporarily outwitted the rear gear. Countless adjustments are necessary in the fluid movement of the traffic gyrations of countless motorists.

Likewise, businesses in free enterprise must adjust to market conditions of demand, supply, profit, and loss. Businesses, like my car—start, go forward, pause, even stop or fail. Such business movements—even moving sideways, a rare motoring experience—are not bad in themselves. They are normal. They are the visible operations of basic economic laws.

The danger of some alleged antirecession legislative measures comes from the failure to recognize basic economic laws, it seems to me. As for my car, I shall try to go forward fully aware of and not condemning the need to stop or back up. Businesses, separately or collectively, like the car, have no uniform rate of forward speed.

CORRECTION OF THE RECORD

Mr. COLLIER. Mr. Speaker, I ask consent to correct an error which appears on page 7706 of yesterday's CONGRESSIONAL RECORD. I ask that the permanent RECORD be corrected so that the sixth line of the fifth paragraph of the middle column shall read "Let us not forget that nearly 60." This changes the figure "80" to "60."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

KITTY BROWN—A GRAND LADY

(Mr. DEROUNIAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DEROUNIAN. Mr. Speaker, on Monday, May 12, Mrs. Claire A. Brown passed away at the age of 79. With her death, the great County of Nassau has lost one of its most beloved ladies.

"Kitty," as she was affectionately called, was the first person to call on us, April 2, 1921, the day after my family emigrated to the United States. She was our devoted neighbor for almost 25 years.

She encouraged my interest in government and politics. She watched me like a mother hen up to the time she failed in health.

Kitty was the pillar of the Republican Party in those days and yet she found time to be of help, in every way, to her fellow man. Her charitable and civic

endeavors were always successfully carried through.

Nassau County has been a better place because Kitty lived there.

To her family, my wife and I extend our deepest sympathy.

MUTUAL SECURITY ACT OF 1958

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12121, with Mr. Boggs in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 201 ending on line 7, page 3 of the bill. Are there further amendments to this section?

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: (1) On page 3, line 2, immediately after "defense support" insert the following "and general provisions."

(2) On page 3, line 3, immediately after "SEC. 201." insert the following: "(a)."

(3) On page 3, immediately below line 7, insert the following:

"(b) Section 143 of the Mutual Security Act of 1954, as amended, which relates to assistance to Yugoslavia, is amended to read as follows:

"SEC. 143. Assistance to Yugoslavia.—Notwithstanding any other provision of law, no assistance under this title or any other title of this act shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of the Mutual Security Act of 1958, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this act."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 16, 1958
For actions of May 15, 1958
85th-2d, No. 77

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HIGHLIGHTS: Senate passed Packers and Stockyards bill. House passed State-Justice appropriation bill. Sen. Yarborough and Rep. Rutherford introduced and Sen. Yarborough discussed bills to permit increased allotments for production of extra-long staple cotton seed. Sen. Cooper introduced and discussed bill to extend availability of appropriations for emergency conservation measures.

HOUSE

1. APPROPRIATIONS. Passed, 319 to 51, with amendment H. R. 12423, the State, Justice, and Judiciary appropriation bill. Agreed to an amendment to raise the salary of the Commissioner of Immigration and Naturalization to \$20,000. Rejected an amendment to reduce the funds for the Civil Rights Division by \$342,000. pp. 7943-60
Authorized the Appropriations Committee to file a report on the Commerce Department appropriations bill before midnight Friday. p. 7941
2. WATER RESOURCES. Rep. Boykin inserted a statement by the Warrior-Tombigbee Development Ass'n on the need for improving those river systems. pp. 7971-2
Received from the Budget Bureau a plan for work of improvement in the Elm River watershed project, N. D. p. 7973
3. NEWSPRINT. Received from the Attorney General a report on the newsprint industry. p. 7972
4. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Commerce appropriation bill would be considered Tues., May 20, and that H. R. 7999, providing statehood for Alaska, would be considered May 21 through 24. pp. 7942-3

5. ADJOURNED until Monday, May 19. p. 7972.

SENATE

6. MEATPACKERS. Passed S. 1356, to clarify the jurisdictions of this Department and the Federal Trade Commission for the enforcement of provisions of the Packers and Stockyards Act, after agreeing to the amendment of the Agriculture and Forestry Committee which was a substitute for the amendment of the Judiciary Committee. pp. 7877-82, 7883-7905

As passed the bill provides that this Department shall have exclusive jurisdiction with respect to livestock and poultry through the packing plant, including all transactions in livestock in commerce at posted yards and elsewhere; the Federal Trade Commission shall have exclusive jurisdiction with respect to products other than livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products; and both agencies shall have concurrent jurisdiction with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products after they have been prepared in form for distribution.

Rejected an amendment by Sen. Dirksen, in the nature of a substitute for the amendment of the Agriculture and Forestry Committee. He explained that his amendment was "identical to H. R. 9020 by Rep. Cooley" and "amends section 202 and inserts 'products,' so as actually to put the emphasis in the direction of things as distinguished from persons. It is the same as the Holland amendment, in that it expands the general concept of marketing agency and dealer and stockyards so far as commerce is concerned. It contains one provision which does not appear in the other measures, and that is with respect to oleo-margarine and retails sales, jurisdiction over which is placed in the Federal Trade Commission. The difference lies in the fact that at the retail level, the Secretary of Agriculture can request the Federal Trade Commission not only to make an investigation, which is the case under existing law, and make a report, which is the case under existing law, but to institute proceedings, which is an authority not carried in existing law." pp. 7891-7904

7. RICE; HOG CHOLERA. The Agriculture and Forestry Committee reported H. R. 8490, with amendment, to make two technical adjustments in the law relating to rice acreage allotments, to provide for reassignment of such allotments when the land on which the allotment has previously been made is taken for public purposes, and to increase marketing quota penalties (S. Rept. 1585); and S. 3478, without amendment, to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus (S. Rept. 1587). p. 7856

8. NOMINATIONS. Confirmed the nominations of Marvin J. Briggs, of Ind., and Frank Stubbs, of Tex., to be members of the Federal Farm Credit Board. p. 7855

9. WOOL. Sen. Langer inserted a N. Dak. Wool Growers Assoc. resolution favoring enactment of legislation to extend the National Wool Act, and opposing legislation to permit the duty-free entry of certain low grade wools. p. 7856

10. BRUCELLOSIS. Sen. Thye inserted a newspaper article explaining the work done in the fight against brucellosis at the WHO Brucellosis Center at the University of Minnesota, "University Spearheads Global Fight on Brucellosis." p. 7876

11. MINERALS STABILIZATION. Sen. Murray inserted a newspaper editorial on the "so-called domestic minerals stabilization plan, which the Secretary of the Interior unveiled in part before the Senate Interior and Insular Affairs Committee on April 28, 1958," which stated that the proposal was not popular with the mining industry. pp. 7862-63

much about Minnesota—and about its high-school students.

The essays came from hundreds and hundreds of cities and towns. Four out of five were written in small towns, down rural roads, and on the farm.

First, we read 50 of them. From these a pattern emerged. Then we reread, with this frame of reference. The work was neat, the spelling accurate.

JUDGES PORE OVER THE ENTRIES

The next stage found the entries in two sets of baskets—possibles and those that didn't quite make the grade. In turn, the possibles were read again until we had two envelopes of 50 essays each. The second-string envelope was rechecked. Now we had just 50.

After 4 days of judging in progress, 1 winner emerged. Joe Meyer's viewpoint was unique. I outlined it, something rarely done in these contests. We judges are to be sure there were 10 categories of suggested things to be shown. On this page we have printed his essay—certain that its unique merit will be obvious.

Then, too, that essay could be mighty welcome to the visiting Scandinavian royalty. It explains us, our hopes, our accomplishments and our problems in sincere effectiveness.

JOE IS A FINE BOY

So we had the essay. Now, who is Joe Meyer?

I drove to Le Sueur high school, where he is a senior.

"You found a fine boy," said Kenneth von Wald, the principal. "He's to be valedictorian at our graduation May 29. He's president of his class, head of the student council, member of the honors society. We didn't know a thing about his essay."

Nobody did.

Joe's mother saw my column announcing the trip. She showed it to Joe. That same Sunday he went to his room in the white farmhouse, opened his typewriter and went to work. Six hours and three rewrites later, it was finished. He mailed it. Never read it to anyone, never told anyone at school. Joe is like that.

We found him in Spanish class. He's quiet but not shy, self-effacing but knowing. There is the shifting of gears to maturity in his manner. He blushed when the girls in the class let fly a screeching chorus of congratulation. (He hadn't told anyone about entering the contest, remember.)

WINNER WANTS CHEMISTRY FUTURE

We met some of his teachers. Joe's fascinated by science.

"I hope to find a place in chemistry," he said. "Going to St. John's university in Collegeville this fall. I'm sure I can learn a lot about it there."

We were soon joined by Janet, 16, a sophomore; John, 15, a freshman; Clem, Junior, 13, an eighth grader. At the nearby St. Anne's parochial school, the fifth offspring of the Meyer family, Jerry is a third grader. All of them have the lively interest, the tumbling-out conversation of mighty intelligent youngsters.

The word of Joe's winning whizzed through Le Sueur high with sonic speed. Although more of a student than most, his popularity was secure. There was respect in the admiration of his classmates.

Nine miles away, we turned off at the Meyer farm. All is orderliness. Joe's dad, born a farmer's son in the same county, is proud of his place. There are 5 cows, 100 chickens, crops of corn and peas and beans.

A pair of tractors, the pickup truck, the family car and the boys' motor scooter keep locomotion always at hand. (The motor scooter, according to Joe's mother, has been painted, repainted, re-repainted, upholstered and reupholstered, artistic wavy lines applied, and then the whole thing repeated.)

Clem, Junior, and John do much of the

chores after school, then again after supper. Until last summer, Joe had his regular farm duties. The pattern was broken when, carrying bow and arrow, typewriter and some clean clothes, he went to Colorado to work with a geophysical surveying crew—looking for oil. He took plenty of pictures—color landscapes are a hobby.

The boys are Future Farmers of America members. Clem, Junior, and John have a surpassing interest in a baseball team. Janet hopes to go on to a church college. Young Jerry dreams of a daredevil leap from the top of the family windmill.

Inside the comfortable farmhouse there was evidence of family discipline. The TV set is in the sizable dining room. The living room, and its light-colored rug, is out of bounds to the youngsters. The kitchen tells of orderliness and, from its aroma, of good country cooking.

NOW JOE'S MOTHER CAN SEE ESSAY

"We're all so excited," said Joe's mother. "We couldn't ever send one of our children on such a trip abroad. On a farm like this, and with five offspring, the budget just about fits. I'm so glad I told Joe to try and write that essay. Do you have it with you? I'd like to know what he wrote."

Joe's mother and everybody now can read what he wrote. So will the people in Sweden who read that country's largest newspaper, the Stockholms Tidningen. Pictures of Joe and his family and the farm not only will appear in Picture magazine in our Sunday Tribune soon but also will be published in Scandinavia.

"Will I be bringing back a girl or a fellow?" asked Joe.

Told him I didn't know. We'll hear later this week who won in Sweden.

"We'll welcome him or her to our farm," said Joe's dad.

Joe's essay, you see, led us to a farm, a family, whom we can all be proud.

As for Joe—

He's not just a contest winner—he's our 1-week ambassador.

CONTROL OF COMMERCE IN MEAT AND MEAT PRODUCTS

The PRESIDING OFFICER. Is there further morning business? There being none, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1356) to amend the anti-trust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (66 Stat. 632; 15 U. S. C. 45 (a) (6)), is amended to read as follows:

"(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the acts to regulate commerce, and air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938, from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

(b) Section 2 (a) of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 182), is amended by striking out:

- (1) paragraph (3) thereof; and
- (2) paragraph (5) thereof.

(c) The title of such act (7 U. S. C. 181, et seq.) and the title of the act where it appears in the preamble of the act of August 14, 1935 (49 Stat. 648), are amended by striking out the words "livestock products, dairy products" and the words "poultry products, and eggs."

(d) Section 2 (b) of such act (42 Stat. 159; 7 U. S. C. 183) is amended by striking out the words "and meatpacking industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs," and inserting in lieu thereof the words "industry, and whereby livestock."

(e) Title II of such act (42 Stat. 160; 7 U. S. C. 191-195) is repealed.

(f) Sections 401 and 403 of such act (42 Stat. 168; 7 U. S. C. 221, 223) are amended by striking out, in each such section wherever they appear, the word "packer", and the words "packer or any live poultry dealer or handler."

(g) Section 502 (a) of such act (49 Stat. 648; 7 U. S. C. 218a (a)) is amended by striking out the words "packers as defined in title II of said act and railroads", and inserting in lieu thereof the words "a railroad."

(h) Section 502 (b) of such act (49 Stat. 648; 7 U. S. C. 218a (b)) is amended by inserting, immediately after the words, "this act," the words "or the Federal Trade Commission Act."

(i) Section 503 of such act (49 Stat. 649; 7 U. S. C. 218b) is amended by striking out the first sentence thereof.

And from the Committee on Agriculture and Forestry with an additional amendment, to strike out the amendment reported by the Committee on the Judiciary and insert:

That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (66 Stat. 632; 15 U. S. C. 45 (a) (6)), is amended to read as follows:

"(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the acts to regulate commerce, air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938 and except as provided in section 406 (b) of the Packers and Stockyards Act, 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

(b) Section 406 (b) of the Packers and Stockyards Act, 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), is amended to read as follows:

"(b) On and after the enactment of this act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which is made subject to the jurisdiction of the Secretary—

"(1) by title II of this act if it concerns either (i) livestock or live poultry, or (ii) any other product in a form other than one in which it is marketed by the packer, poultry dealer, or poultry handler; or

"(2) by titles III or V of this act, except in cases in which, before the enactment of this act, complaint has been served under section 5 of the act entitled 'An act to create a Federal Trade Commission, to define its power and duties, and for other purposes,' approved September 26, 1914, or under section 11 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case. The Secretary and the Federal Trade Commission shall maintain such liaison as

is necessary to avoid unnecessary duplication of effort in the field covered by this act. Each shall give immediate notice to the other of the filing of a complaint by either agency with respect to any matter over which both have jurisdiction, and thereafter the other shall not institute proceedings covering the same matter."

The amendment made by this subsection shall be effective only during the 3-year period beginning with the date of enactment of this act, except that it shall continue effective thereafter with respect to complaints filed by either agency during such 3-year period.

(c) Section 202 of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended by inserting after the word "unlawful" the words "with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products."

(d) Section 201 of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended by inserting at the end thereof the following: "A change in any person's status as a packer or live poultry dealer or handler after a transaction or act has occurred shall not affect the authority or jurisdiction of the Secretary or the Federal Trade Commission to institute proceedings and issue orders based upon such transaction or act applicable to such person or such action as may be provided by law for the enforcement of such orders."

(e) The caption to title III, appearing immediately before section 301 of such act (42 Stat. 163; 7 U. S. C. 201) is amended by adding, immediately following the word "stockyards," the words "and livestock transactions."

(f) Section 301 (c), section 301 (d), and section 312 (a) of title III of such act (42 Stat. 163 and 167; 7 U. S. C. 201 and 213) are amended by striking out in each such section, wherever they appear, the words "at a stockyard."

(g) Section 302 (a) of title III of such act (42 Stat. 163; 7 U. S. C. 202a) is amended by striking out the last sentence thereof.

(h) Section 303 of title III of such act (42 Stat. 163; 7 U. S. C. 203) is amended by inserting after the first sentence thereof the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the act may be required to register in such manner as the Secretary may prescribe."

(i) Section 311 of title III of such act (42 Stat. 167; 7 U. S. C. 212) is amended by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer," and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Committee on Agriculture and Forestry as a substitute for the substitute reported by the Committee on the Judiciary.

Mr. O'MAHONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PAYNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I understand that the pending business is now Senate bill 1356, and that the question is on agreeing to the amendment

reported by the Committee on Agriculture and Forestry as a substitute for the substitute reported by the Committee on the Judiciary. Is my understanding correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLAND. The parliamentary situation is a little different from the usual one, but is not so complex as to cause any great confusion.

To explain it briefly, Senate bill 1356 was originally considered at great length and most ably by the Committee on the Judiciary, and was reported to the Senate and placed upon the Calendar.

There was filed by the committee a long and able report, which is on the desks of Senators. It is report No. 704.

Mr. O'MAHONEY. Mr. President, will the Senator yield for an inquiry?

Mr. HOLLAND. I think it might be better for me to complete my preliminary statement, and then yield, but I shall be glad to yield now if the Senator desires me to do so.

Mr. O'MAHONEY. I would rather have the Senator complete his preliminary statement.

Mr. HOLLAND. The bill as reported from the Senate Committee on the Judiciary was then before the Senate, and the able report of the committee, being report No. 704, was also before the Senate.

When the time came for the consideration of the bill by the Senate, it was found that there was certain points of difference, so the bill was referred by the Senate to the Committee on Agriculture and Forestry and the Committee on the Judiciary, jointly.

A report now had been filed by myself, on behalf of the Committee on the Judiciary and the Committee on Agriculture and Forestry. It is Report No. 1464. I do not mean, by referring to that report, that in any respect the Committee on the Judiciary is precluded from relying upon anything whatever in its original report, or anything in the bill as it was at that time.

The Committee on Agriculture and Forestry, after a joint meeting with the Senate Committee on the Judiciary, thought it best to suggest certain changes. Those suggestions are now proposed in the form of an amendment, which is the subject to which I shall largely confine myself in these brief remarks.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. I will ask the Senator to yield when he completes his statement.

Mr. HOLLAND. I thank the Senator.

The bill deals with the division of authority over unfair trade practices of packers between the Secretary of Agriculture and the Federal Trade Commission. With the amendment proposed by the Committee on Agriculture and Forestry, it would be extended to deal with all transactions in livestock in interstate commerce.

After the bill was referred jointly to the Committee on the Judiciary and the Committee on Agriculture and Forestry, the two committees met and heard testimony from representatives of the Federal

Trade Commission and the Department of Agriculture.

There was general agreement that the Department of Agriculture should have exclusive jurisdiction over packers with respect to livestock and poultry, and the amendment proposed by the Committee on Agriculture and Forestry so provides.

In other words, so long as we are dealing with livestock and poultry as such, the Department of Agriculture has complete jurisdiction over packers. Its jurisdiction as to livestock is extended beyond that which it has at the present time, in that its jurisdiction will relate to the whole field, instead of to the somewhat smaller field embraced in the posted stockyards under the present law.

In addition to retaining jurisdiction in the Secretary under title II with respect to livestock and poultry, the amendment extends the jurisdiction of the Secretary of Agriculture under title III of the Packers and Stockyards Act to all livestock transactions in interstate commerce, whether at posted markets or elsewhere.

In other words, the amendment which we propose not only saves to the Department of Agriculture all jurisdiction which it has had up to this time over livestock and poultry as such, but it extends it to apply to all transactions in livestock in interstate commerce. There have been a large number of sales markets engaged in interstate commerce which have not been actively supervised by the Department of Agriculture because they have not been, and in many cases could not be, posted as stockyards within the requirements of existing law. Market agencies and dealers at those sales markets have not been subject to fair trade practice regulation by the Department of Agriculture in the past. Under the amendment we propose these markets could be posted, and market agencies and dealers at these yards, whether they were posted or not, would be subject to regulation by the Department.

There was also general agreement that the Federal Trade Commission should have exclusive jurisdiction over packers with respect to products other than livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products, and the amendment of the Committee on Agriculture and Forestry so provides.

The packers produce quite a number of articles which are not included within the edible fields I have just mentioned.

After determining that the live animals should be subject to the exclusive jurisdiction of the Secretary of Agriculture, and that strictly non-agricultural products should be subject to the exclusive jurisdiction of the Federal Trade Commission, the Committee explored the situation with respect to those products which fell between these two extremes; namely, meats, meat food products, livestock products in unmanufactured form, and poultry products. Here there was disagreement. Each of the two agencies advised that it required jurisdiction with respect to these products in order to carry out its assigned responsibilities. Each agency further recommended that its jurisdic-

tion in this area should be exclusive. The amendment of the Committee on Agriculture and Forestry resolves this conflict by providing for concurrent jurisdiction with respect to these products at the wholesale and retail levels for 3 years. This will give each agency all the authority it needs to carry out its responsibilities during the next 3 years.

In other words, it is for an experimental period, during which we hope the justice and wisdom of the action will be demonstrated. If it is not demonstrated, Congress will have that fact before it at the expiration of 3 years. The provisions I have mentioned are the principal provisions of our committee's amendment. A further provision set out in subsection (d) would prevent any person from escaping the jurisdiction of the Federal Trade Commission or the Department of Agriculture after an act or transaction has occurred by changing his status as a packer or nonpacker. That is, that after jurisdiction had been obtained by either the Federal Trade Commission or the Department of Agriculture, a mere change in status would not affect the situation of an individual or business which was involved in the matter.

The principal differences between the amendment recommended by the Committee on Agriculture and that recommended by the Committee on the Judiciary are: First, while the Judiciary Committee amendment in effect transfers all authority of the Secretary of Agriculture under title II of the Packers and Stockyards Act to the Federal Trade Commission, the Agriculture Committee amendment provides for retention of authority in the Secretary with respect to livestock and poultry; concurrent jurisdiction with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products; and transfer to the Federal Trade Commission of authority with respect to all other products. Second, the Agriculture Committee amendment incorporates within it the provisions of the amendment proposed by Senators YOUNG, O'MAHONEY, WATKINS, and CARROLL extending title III of the Packers and Stockyards Act to cover all livestock transactions in interstate commerce.

One of the main objections to the present law, as it has been interpreted, and the correction of which has been frequently urged, particularly by small merchants, is that larger merchants have, by acquiring a 20-percent interest in a packing plant, been able to escape Federal Trade Commission jurisdiction over all their activities, even those relating to products other than meat and other edible products of meat packers.

I wish to make it very clear that the enactment of the pending bill will effectively eliminate this loophole in the law. As a matter of fact, not only the pending bill, but the other bills on the subject, both in the House and in the Senate, recognize this problem and contain provisions to handle it effectively.

This particular subject matter, which is of very great importance, is very well

treated in pages 12 through 15 of the report of the Judiciary Committee on S. 1356. It is Report No. 704.

I ask unanimous consent that the able discussion in the report, beginning with the last paragraph on page 12, and continuing down to the middle of page 15, may be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the excerpts from the report were ordered to be printed in the RECORD, as follows:

RECENT DECISIONS AND RULINGS HINDERING EFFECTIVE ANTITRUST ENFORCEMENT BY THE FEDERAL TRADE COMMISSION

A series of court decisions and administrative ruling has greatly extended the exemption from regulation by the Federal Trade Commission which is contained in the Packers and Stockyards Act. The term "packer" to which the Packers and Stockyards Act applies in according immunity from the Federal Trade Commission Act and from Commission enforcement of the Clayton Act is extremely broad in its reach. Any person, firm or corporation, no matter how far removed from the packing business, need only acquire 20 percent interest in a packing plant to lay claim to the exemption. As a result, numerous large nonpacker corporations are qualifying as packers and thus escaping Federal Trade Commission supervision.

The leading court decision on this matter is *United Corporation v. Federal Trade Commission* (110 F. 2d 473 (1940)), in which the Fourth Circuit Court of Appeals reviewed an order by the Federal Trade Commission requiring United Corp. to cease and desist from representing that the corned beef hash and deviled ham which is sold were made from products originating in Virginia, from using the trade name "Virginia Products Co." from using labels containing the word "Virginia," and from invoicing its sales from Richmond or other places within the State of Virginia. The canned meat products marketed by United Corp. were packed for it by two meat-packing companies, Montell, Inc., of Cambridge, Md., and Emmart Food Products Co., of Chicago, Ill. The meat used in the products, except for the deviled ham packed by Montell, did not originate in the State of Virginia, and it was on a base of false and deceptive advertising, therefore, that the FTC proceeded against United Corp.

After the complaint was filed, but before the FTC cease and desist order was issued, United Corp. acquired a 20 percent interest in the stock of Montell and Emmart. Since it thereupon became a packer under the definition of that term in section 201 of the Packers and Stockyards Act, United asked the court to set aside the FTC order to cease and desist as the company was no longer subject to FTC jurisdiction. The definition of "packer" in the act reads in part as follows:

"SEC. 201. When used in this act the term "packer" means any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or (d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

"(4) Any person or persons jointly or severally, directly or indirectly, through

stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 percent or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 percent or more of such power or control in any business referred to in clause (a) or (b) above."

Section 406 (b) of the Packers and Stockyards Act reads as follows:

"(b) On and after the enactment of this act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this act, is made subject to the jurisdiction of the Secretary * * * except when the Secretary of Agriculture in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case."

The circuit court of appeals set the FTC order aside, holding that since the power of the FTC is purely regulatory and not punitive, it must have jurisdiction at the time of the entry of its order, and that the Commission therefore had no further jurisdiction over United after it acquired its interest in the two packing companies.

Since this decision, many companies have sought exemption from FTC regulation as packers. Mr. Kintner, General Counsel of the Commission, pointed out to the subcommittee that some of the larger packers have proliferated into many unrelated fields, and, even more important, many concerns primarily engaged in other lines of commerce have become packers within the definition of "packer" in the act. This is particularly true, he stated, of many of the largest grocery chains, which, although they are essentially engaged in merchandising all of the thousands of items usually found in grocery stores and supermarkets, nevertheless qualify as packers because some part of their operations brings them within the definition of "packers." Among such grocery chains are Great Atlantic & Pacific Tea Co., the Kroger Co., Safeway Stores, and First National Stores.

Among the companies which have claimed immunity from regulation by the Federal Trade Commission on the grounds they are subject to the Secretary of Agriculture under the Packers and Stockyards Act, is an ice cream company which owns an affiliated company that is a packer of dog food (*Federal Trade Commission v. Carnation Co., et al.*, FTC docket No. 6172). Wilson & Co, which is primarily a packer, has successfully asserted immunity from regulation by the FTC of its sporting goods business—a nonfood line.

The Commission has also pointed out an allied problem arising out of the so-called "oleomargarine amendment" to the Federal Trade Commission Act (64 Stat. 20). When a proceeding was brought against Armour & Co. charging false and deceptive advertising of oleomargarine, a nonmeat food product, the Commission was obliged to dismiss this action, because Armour was a packer and subject to the Secretary of Agriculture.

Subsequently a complaint was filed, and an order to cease and desist was issued against the Blanton Co. under the oleomargarine amendment. Blanton has filed a petition to review and set aside this order in the Eighth Circuit Court of Appeals, contending that the amendment is unconstitutional as denying equal protection of the law, since it does not apply to Blanton's competitors who are "packers" within the meaning of the Packers and Stockyards Act.

The complaint in the Food Fair case (*In the Matter of Food Fair Stores, Inc.*, docket 6458) charged a food retailing chain with violation of section 5 of the Federal Trade Commission Act. The hearing examiner

granted a motion by Food Fair to dismiss the complaint on the ground that it is a packer and as such is subject to the exclusive jurisdiction of the Secretary of Agriculture. While counsel for the Commission showed that the sales of products from the packing plant owned by Food Fair gross about \$25 million annually which is a very small part of the company's total annual gross of \$475 million for the fiscal year ending April 28, 1956, this had no effect on the examiner's ruling. The hearing examiner quoted with approval the argument of Commission counsel that this interpretation "logically and inevitably leads * * * to absurd results enabling any concern to choose at will the regulatory authority, by simply acquiring or divesting itself of a packing plant. Or, put more crassly, by the simple expedient of buying a load of chickens, wringing their necks, plucking their feathers and selling their carcasses in commerce, any business in the Nation, even a tire or battery manufacturer, for instance, may escape regulation of its entire business by the Federal Trade Commission." The examiner declared the law clear and unambiguous in "terms, command and intent," and he felt obliged to hold Food Fair immune from FTC regulation. This case is now before the Commission for decision. If upheld, many sweeping claims for exemption from FTC regulation will be made.

S. 1356 eliminates all doubt as to the authority of the Federal Trade Commission to proceed against meatpackers. It prevents other companies from escaping regulation by the Federal Trade Commission on the ground they are packers. Confusion and injustice result when a food retailer large enough to acquire a packing company is regulated by the Department of Agriculture, but its smaller competitor is subject to more stringent enforcement of trade-practice rules administered by the Federal Trade Commission. As a consequence, there are different standards of legality for measuring the conduct of competitors.

Mr. HOLLAND. Mr. President, there is one other comment I wish to make before I yield to the real author and principal proponent of the bill, who has handled it most ably and successfully, the Senator from Wyoming [Mr. O'MAHONEY]. I wish to call attention to this additional fact.

There is a very worthy bill on this subject pending in the House, H. R. 9020, known, I believe, as the Cooley bill. Many of the provisions of that bill are incorporated in the proposal we are offering today. However, there is one provision in that bill with which we have not been able to agree, and I believe that the reason we could not agree should be stated on the floor. The provision I refer to is the one limiting the jurisdiction of the Federal Trade Commission over packers in the field of edible products to retail sales, or to cases in which it is requested to act by the Secretary of Agriculture. The Secretary of Agriculture now has authority to request the FTC to investigate and report in cases where he deems such action necessary, but no such request has been made since the passage of the Packers and Stockyards Act in 1921.

Not only were we told by the Federal Trade Commission that such a limitation would leave it powerless to handle the various monopolistic practices which have developed, and which the Commission is organized to investigate and bring to light, but also, if we passed

that provision, we felt Congress would be subjected to very grave criticism.

The Big Four meat packers are operating under a Federal injunction, issued some years ago, by which they are prohibited from engaging in retail transactions. Therefore, such a provision, if written into law, would, in effect, say that we do not propose to subject the big packers to the jurisdiction of the Federal Trade Commission in any of their transactions in the field of meat and meat products.

We felt that since some of the discriminations complained of have been charged to and are now charged to the big packers, we should avoid anything that would leave Congress in the position of saying, "Hands off the big packers. The laws we enact shall be effective only against the small packers."

It is for that reason that we have declined to incorporate in our bill that particular provision of the House measure, which in many other respects we have followed very closely.

Mr. President, I yield the floor.

Mr. O'MAHONEY. Mr. President, I wish to say to the Senator from Florida that after he had begun his preliminary statement, there was some discussion about a unanimous-consent agreement to limit debate on the bill. The disposition of Members of the Senate seems to be such that it is generally believed the bill can be disposed of rather quickly. However, I do not wish to make a request for a unanimous-consent agreement to limit debate without the knowledge of the Senator from Florida. The proposal which I intend to suggest to the Senate would be that debate on any amendment, motion, or appeal shall be limited to 30 minutes, to be equally divided between both sides; and that on the question of the final passage of the bill debate shall be limited to 3 hours. Is such an agreement acceptable to the Senator from Florida?

Mr. HOLLAND. Mr. President, it certainly is acceptable to me. However, I believe the distinguished Senator from Wyoming and the distinguished Senator from Illinois [Mr. DIRKSEN], who, I understand, has an amendment, should be the ones to pass upon that kind of agreement. I do not intend to speak further at length in the debate. I felt it my duty, as the one who had reported the measure for the two committees, and who had conducted the hearings, to make an opening statement. I am very strongly in favor of the amendment we have submitted, and which is the first thing at issue before us. I neither care nor expect to debate the matter at length myself.

Mr. DIRKSEN. Mr. President, I am entirely agreeable to the suggested time limitation of the distinguished Senator from Wyoming. However, before it is formally submitted, I should like to suggest the absence of a quorum, and then we can consider the matter further.

Mr. O'MAHONEY. Perhaps the Senator from Vermont would like to say something.

Mr. AIKEN. I should like to take a few minutes. I do not care whether I am recognized now or later.

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Vermont?

Mr. O'MAHONEY. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have listened to the explanation of the recommendation made by the majority of the Committee on Agriculture and Forestry, as set forth by the able Senator from Florida. While there was no objection to reporting the recommendation, the recommendation itself was approved by a 7 to 6 vote, with 2 Senators being absent from the committee.

Six members of the committee felt that the so-called "hot pursuit amendment," which had been drawn up at the request of some of us by the Department of Agriculture, was probably a better way to meet the situation. However, we did not prevail. Seven Senators voted for the amendment which the Senator from Florida proposed, and six Senators supported the "hot pursuit amendment."

We are all in agreement that the existing loopholes in the law should be plugged. It is unthinkable that a certain branch or a large segment of the mercantile industry should be able to escape supervision by anyone because of loopholes in the law.

I was greatly amazed to learn that an examiner of the Federal Trade Commission had ruled that a chain store, a department store, or anyone else who bought a few shares of stock in a packing company thereby became a packer under the law and was exempt from Federal Trade Commission jurisdiction. We all want to put a stop to that kind of activity.

Frankly, I think that the opinion of the examiner for the Federal Trade Commission was a perversion of the law; but not being a lawyer, I do not want to get into a discussion about that. The opinion simply did not make sense at all.

I merely wished to point out that the recommendation which has been presented was approved in the committee by a 7 to 6 vote.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I submit a proposed unanimous-consent agreement, and ask that it be read. Before the clerk begins to read, I may say that the proposed agreement has been discussed with the leaders on both sides of the aisle and with other Senators who are interested in the bill. I think there is no objection to it.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective during the further consideration of the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot individual time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed unanimous consent agreement? The Chair hears none, and the agreement is entered.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wyoming will state it.

Mr. O'MAHONEY. There is now before the Senate a star print of Senate bill 1356, which is covered by Report No. 1464 and Report No. 704, the latter having come from the Committee on the Judiciary, and the former having come from the Committee on Agriculture and Forestry. In the star print, the amendment of the Committee on the Judiciary is printed in italics. The amendment suggested by the Committee on Agriculture and Forestry is printed in bold-face type.

On behalf of the Committee on the Judiciary, the Senator from Utah [Mr. WATKINS] and I, and other members of the committee who have been in charge of the bill, are agreeable that the amendments of the Committee on the Judiciary shall be passed over, and that the Senate shall proceed immediately to the amendment offered by the Committee on Agriculture and Forestry.

My parliamentary inquiry is whether it will be necessary now for the Senator in charge of the amendment reported by the Committee on Agriculture and Forestry to offer the amendment which is in boldface type in the star print.

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the amendment reported by the Committee on Agriculture and Forestry as a substitute for the substitute amendment reported by the Committee on the Judiciary.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. HOLLAND. In other words, that question is now pending, and no addi-

tional offering of the amendment of the Committee on Agriculture and Forestry by the Senator from Florida or any other Senator is required. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

My understanding is that the Holland amendment is actually only in the first degree, and that subsequent amendments can be offered; and that the first vote will recur upon any other amendment which is offered.

The PRESIDING OFFICER. The Senator is correct.

Mr. O'MAHONEY. Mr. President, I allot myself 10 minutes from the time for debate on the bill.

I think the 2 reports now presnted to the Senate are an illustration of 1 of the most effective procedures which have taken place in the Senate in quite a long time. The bill, because it deals with the antitrust laws, was considered first by the Committee on the Judiciary. That committee amended the bill and reported it to the Senate.

But because the bill deals with a matter which is in the jurisdiction of the Department of Agriculture and; is intended to remove from the Department of Agriculture jurisdiction over the violations of the antitrust laws, the Federal Trade Commission Act, and the Clayton Act, and to transfer the jurisdiction to the Federal Trade Commission, the Committee on Agriculture and Forestry naturally felt that, perhaps, it should have an opportunity to examine the text of the bill.

The Committee on Agriculture and Forestry naturally felt that it should have an opportunity to examine the text of the bill. The distinguished Senator from Florida [Mr. HOLLAND] move that the bill be referred to a joint session of the Judiciary Committee and the Committee on Agriculture and Forestry.

Mr. HOLLAND. Mr. President, will the Senator from Wyoming yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Wyoming yield to the Senator from Florida?

Mr. O'MAHONEY. I yield.

Mr. HOLLAND. I believe the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON] was the one who made the motion.

Mr. O'MAHONEY. Yes; I believe that is correct.

I immediately agreed to the unanimous consent request, though with some modification, which had been made by the majority leader, because it was the desire of the members of the Judiciary Committee who were supporting the measure to make certain that the fullest survey of the effect and the meaning of the bill should be made by the committees which have a vital interest in the measure.

I attended the joint hearing. The Senator from Illinois also attended it. The Federal Trade Commission and the

Department of Agriculture were represented there.

The amendment now before the Senate is the work of the members of the two committees and of their efficient staffs; I refer to the staff of the Antitrust and Monopoly Subcommittee of the Judiciary Committee, the staff of the Committee on Agriculture and Forestry, and the staff of the distinguished Senator from Florida [Mr. HOLLAND].

Mr. MANSFIELD. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. I yield.

Mr. MANSFIELD. Would the Senator from Wyoming care to prophesy what would have been the effect if the bill which was reported by the Judiciary Committee had not been referred also to the Committee on Agriculture and Forestry?

Mr. O'MAHONEY. Then there probably would have been long debate; and it probably would have been very difficult to work out on the floor of the Senate a very constructive measure, as is the one now before the Senate.

Mr. MANSFIELD. Is it not also true that when, some weeks ago, the Senate had before it the bill of the Senator from Wyoming, there was very little debate and little chance to obtain agreement, in that relatively short time, on the proper procedure to be followed?

Mr. O'MAHONEY. That is correct.

Mr. President, it is generally agreed that economic conditions in the Nation are such that it is incumbent on the Congress and on industry to do everything they can do cooperatively to maintain a free, competitive economy in which no group, no industries, and no parts of industries shall be in a position of power to regulate the transactions of those engaged in the livestock industry.

Dealings in livestock and livestock products have been of great concern over a long period of years. There have been violations of the antitrust laws. There have been practices which were inimical to the growers of live animals, including poultry. There have been abusive practices which were inimical to the interests of the consumers. There have been practices which gave all the color of a desire on the part of the packers to establish a monopoly.

The result was, first, a consent decree, under prosecution initiated by the Department of Justice; and then came the enactment of the Packers and Stockyards Act.

During the hearings on this bill, we received the acknowledgement of the Under Secretary of Agriculture that for more than 26 years the Department of Agriculture had not adequately enforced the antitrust laws.

As the Senator from Florida has said, the original position of each agency—that is to say, of the Department of Agriculture, on the one hand; and of the Federal Trade Commission, on the other—was that each should have exclusive jurisdiction. That difficulty has been solved by this amendment.

This measure is well designed to prevent any further increase in the high

cost of living by monopolistic abuses on the part of wholesalers or retailers; and by the use of the word "retailers" in this connection, I mean the chainstores. The big packers and the chainstores have been in a position to dominate this industry. The act which was passed by Congress—and the purpose of that act was to preserve free enterprise—was not effective.

The purpose is to prevent exploitation of the small packer, the small retailer, and the consumer. In other words, the pending measure is designed to maintain high standards of business activity in conformity with the antitrust laws of the United States.

Therefore, Mr. President, I wish to say, on behalf of the Judiciary Committee, that the amendment which has been reported by the Committee on Agriculture and Forestry is quite satisfactory. We have no intention whatsoever of resisting favorable action on the amendment.

I feel that I must compliment the Senator from Florida [Mr. HOLLAND] for the very efficient work he did in conducting the hearings with the two Government agencies concerned and with all others who were interested, and on developing the amendment, which goes a long way toward bringing about a better standard of operation in the entire livestock business.

The Department of Agriculture has exclusive jurisdiction in one area. The Federal Trade Commission has exclusive jurisdiction in another area. But there is concurrent jurisdiction, and both wholesaling and retailing can be examined by either one.

Because of some remarks which were made on the floor of the Senate, a few days ago, by the Senator from Oregon [Mr. MORSE], I wish to say that this bill does not require the two agencies to come to an agreement before an action can be commenced.

I wish to read, beginning on page 6 of the bill, in line 20:

The Secretary—

Meaning the Secretary of Agriculture—

and the Federal Trade Commission shall maintain such liaison as is necessary to avoid unnecessary duplication of effort in the field covered by this act. Each shall give immediate notice to the other of the filing of a complaint by either agency with respect to any matter over which both have jurisdiction, and thereafter the other shall not institute proceedings covering the same matter.

One of the most important features of the bill, as reported by the Committee on Agriculture and Forestry, is to be found on page 7, beginning in line 17, and reading as follows:

(d) Section 201 of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended by inserting at the end thereof the following: "A change in any person's status as a packer or live poultry dealer or handler after a transaction or act has occurred shall not affect the authority or jurisdiction of the Secretary or the Federal Trade Commission to institute proceedings and issue orders based upon such trans-

action or act applicable to such person or such action as may be provided by law for the enforcement of such orders."

The PRESIDING OFFICER. The 10 minutes the Senator from Wyoming have yielded to himself have expired.

Mr. O'MAHONEY. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for an additional 5 minutes.

Mr. O'MAHONEY. Mr. President, the danger of conflict is thus removed, and the loophole by which jurisdiction could have been escaped is thus closed.

I desire to make a part of the RECORD a statement of the facts relating to the case of Giant Food Shopping Center, Inc., docket No. 6459 of the Federal Trade Commission, which illustrates how the loophole was used in the past.

The Giant Food Shopping Center, Inc., was charged by the Federal Trade Commission with having indulged in discriminatory advertising. The Giant conducted anniversary sales and, it was alleged, sent letters to suppliers requesting contributions to Giant's advertising fund. The complaint charged that Giant diverted some of those funds for its own use. These were funds in excess of those actually used in the advertising.

After the proceeding was commenced, Giant registered as a packer with the United States Department of Agriculture. The sole purpose of that registration was to escape any further procedures under the Federal Trade Commission action. It then moved to dismiss the complaint on the ground that the Giant company was subject to the Secretary of Agriculture as a packer, and therefore not subject to the jurisdiction of the Federal Trade Commission.

There was no claim that Giant bought livestock in commerce for purposes of slaughter or that it owned or controlled any interest in any packing plant. The examiner granted the motion to dismiss on the basis that the process of grinding up meat, mixing it with spices and other meat, constituted the preparation of meat food products, rather than meat, per se. That finding was overruled by the Commission.

Then, on March 28, 1958, the Giant company purchased 100 shares of the common stock of Armour & Company, a packer subject to the jurisdiction of the Secretary of Agriculture. Giant then moved to dismiss, claiming that by its purchase of this stock it became a packer. That absurd claim, the fact that it had purchased 100 shares, which cost the Giant company only \$500, was the argument advanced by the defendant company to secure escape from prosecution.

On April 16, 1958, Examiner Hier ordered the complaint dismissed for lack of jurisdiction, on the ground that Giant had become a packer and was no longer subject to the jurisdiction of the Federal Trade Commission.

We in the Committee on Agriculture and Forestry, with the cooperation of

the Committee on the Judiciary, have closed this door.

The case is cited as an illustration of the necessity for passing the pending bill speedily. All the technicalities have been agreed to by a competent staff. I see no reason why the bill should not be passed.

Mr. HOLLAND. Mr. President, will the Senator yield me 1 minute?

Mr. O'MAHONEY. I yield.

Mr. HOLLAND. I first wish to express my deep appreciation to the Senator from Wyoming for his kind remarks about the Senator from Florida.

Second, I appreciate, in turn, the cooperative attitude of the Senator from Wyoming, who has not only accepted the substance of the amendment which we suggested, but who also accepted the provision for the 3-year trial period, though he was disinclined in the beginning to give his approval, because he felt 3 years was not sufficient time. We felt it was. We are deeply appreciative of his cooperative attitude.

The PRESIDING OFFICER. The question is on agreeing to the—

Mr. O'MAHONEY. Mr. President, the Senator from New Jersey has asked me to yield so that he may introduce a distinguished guest to the Senate. I ask unanimous consent that the time involved in this proceeding shall not be assessed against either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

VISIT TO SENATE BY THE RIGHT HONORABLE JOHN ROSS MARSHALL, OF NEW ZEALAND

Mr. SMITH of New Jersey. Mr. President, we have with us today a distinguished visitor from New Zealand, the Right Honorable John Ross Marshall, a Member of the Parliament and Deputy Leader of the National Party of New Zealand, who has been entertained at a luncheon in the Capitol.

Mr. Marshall is in the United States under the foreign leader exchange program of the International Exchange Service of the Department of State.

Mr. Marshall is an important personage in the political life of New Zealand, and he is a partner in one of the leading law firms in Wellington.

In 1953 Mr. Marshall represented New Zealand at the Colombo Plan Conference in New Delhi. He has traveled widely, and has had extensive military service.

For a time he served as Attorney General of New Zealand.

While in the United States, Mr. Marshall wishes to observe the organization of our political parties; gain an impression of the current political climate of the United States; study our antitrust legislation; observe labor-management relations, and so forth.

It is a great honor for me to introduce to the Senate Mr. John Ross Marshall. [Applause, Senators rising.]

The PRESIDING OFFICER. On behalf of the Senate, the Chair wishes to say we are delighted to have Mr. Marshall with us.

ADDITIONAL JUDGE FOR JUVENILE COURT OF THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7785) to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BIBLE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CLARK, Mr. BIBLE, and Mr. JAVITS conferees on the part of the Senate.

CONTROL OF COMMERCE IN MEAT AND MEAT PRODUCTS

The Senate resumed the consideration of the bill (S. 1356) to amend the anti-trust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Committee on Agriculture and Forestry as a substitute.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished Senator from Nebraska [Mr. HRUSKA].

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Will the Senator from Illinois state whether the time is to be charged to the time allotted on the amendment or on the bill?

Mr. DIRKSEN. On the bill.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 10 minutes.

Mr. HRUSKA. Mr. President, the splendid introductory statement of the Senator from Wyoming has been very helpful in getting a picture of the issue which is before the Senate and of the issues which will be considered during the course of the debate. However, during the course of the hearings, and during the course of some discussion of the bill, charges and claims and implications surrounding this issue have been so misleading as to leave a totally one-sided picture of the Department of Agriculture activities in administering the Packers and Stockyards Act provisions regarding meatpacker operations. Generally, the implication has been that the Department of Agriculture has not adequately enforced the Packers and Stockyards Act as to packers.

Because the Department of Agriculture has spent its time in carrying out its responsibilities in enforcing the act, rather than building up and publicizing refutations to these charges, one side of this story has been presented against the Department in such a way that the

actual facts of the situation have not been given proper publicity. A review of the situation reveals that the Department has done an effective job of regulating the livestock and meatpacking industry under the Packers and Stockyards Act. I would like to submit proof of this by specific references and facts regarding charges that have been made. It has been recognized that the Department has taken action in many instances in the packer trade practice field, but little consideration has been given to the fact that S. 1356 proposes to transfer this jurisdiction from the Department to an agency which has held authority for nonpacker interstate livestock transactions but which has not been and is not in any way active in the carrying out of this responsibility. In fact, the Department of Agriculture has even been condemned for failing to carry out responsibility for nonpacker livestock transactions off the market, when this activity has wholly rested in the Federal Trade Commission and the Department has no jurisdiction in this area. The Federal Trade Commission apparently has no interest in enforcing its law in this area, and raises no objections to the transfer of jurisdiction to the Department of Agriculture of these transactions.

Let me review some of the misleading charges and to set forth the facts in the situation.

First, has been the implication that the Department's administration of the Packers and Stockyards Act has resulted in the favoring of larger packers and in an increased concentration of the packing industry in the hands of a few. The facts are the reverse of this situation is true. The period in which there was a concentration in the packing industry was the period before jurisdiction was transferred from the Federal Trade Commission to the Department of Agriculture, and that was way back in 1920 and 1921. Since the Department has had jurisdiction in 1921 the trend has constantly been one of smaller packers increasing their percentage of the total packing business. The actual percentage of commercial slaughter by the top 4 packers has dropped from 44 percent in 1920 to 38 percent in 1956.

Interpolating briefly, Mr. President, other statistics which are of particular significance are that in 1909 there were some 1,221 meatpackers in America; in 1939 there were 1,478 meatpackers; in 1947 there were 2,153 meatpackers; and in 1954, the last year for which I have been able to obtain the statistics, there were 2,367 meatpackers. This shows there were almost twice as many meatpackers in business in 1954 as were in business 45 years prior to that.

Another statistic of interest is that in the 1920's, when the Packers and Stockyards Act was passed, there were about 80 major rail-centered livestock markets. Today, some 37 years later, there are approximately 1,000 posted markets or markets which are eligible for posting, which means yards with more than 20,000 square feet of area.

I should like to ask this question, Mr. President: In what other industry of comparable size regulated by the Federal

Trade Commission has the smaller business firm so greatly improved its position?

Another charge has been that the Department should have taken more formal actions against the packing industry. The facts are that, first, in 1937 the Department took broad action against many of the major packers and they were ordered to cease and desist from fixing prices on meat and meat food products, giving undue preferences, and engaging in practices that tended to create monopoly and apportionment of sales. This order is still in effect and is a strong force in maintaining fair trade practices in the industry.

Second. The Department of Agriculture, in 1939, instituted what developed into a broad investigation regarding monopoly in the packing industry and requested assistance from the Department of Justice. The Department of Justice then undertook, with the aid and assistance of the Department of Agriculture, a formal case and investigation of monopolistic practices in the meatpacking industry, issuing complaints during the 1940's and continuing its case until 1954, when it was dismissed. This investigation was recognized by the Department as covering the field against the major packers so the Department naturally did not duplicate this investigation, which continued until 1954. In addition, during this period the entire industry, insofar as its prices and many other activities were concerned, were under strict Government regulation. Yet, time and again it has been suggested that the Department should have been conducting investigations and duplicating the work carried on by the Department of Justice.

Third. The Department, in recent years, has conducted its administration of the Packers and Stockyards Act through many informal and less expensive procedures in accordance with the recommendations of the President's Committee on Administrative Procedure.

Another charge has been that the Department of Agriculture has not had the inclination to enforce the packer provisions of the act. The facts are that the Department, on many occasions, has asked for more funds to carry out all provisions of the act. And even with the limited funds available, the record shows they have investigated every packer complaint submitted to them.

I should like to make an additional observation, Mr. President, with reference to the allegations and the charges that the Department of Agriculture has been derelict in its duty in enforcing certain provisions of the Packers and Stockyards Act pertaining to the packers. The act has been in effect since 1921, or 37 years. During all that time if there has been any dereliction of duty it has been pursuant to a national policy which has been fixed by the Congress as well as by the respective administrations which have been in power during that period of time.

Certainly the Congress knew, through its membership in the respective years, exactly how much was being done or how much was being omitted from the field of enforcement and investigation of

charges with reference to the packers and the particular act in question. If the successive Congresses acquiesced in what was being done it seems to me that is as much a determination and formulation of national policy as if Congress had acted to amend the act, calling for additional action within that particular field. There being national policy, which was formed jointly by actions of the administrations—through their Bureaus of the Budget, with reference to appropriations, as well as the Secretaries of Agriculture—and the lack of action on the part of Congress, I sincerely believe it is highly unfair to point the finger solely at the Department of Agriculture and try to place all the blame or all the criticism on that Department in this particular regard.

Another charge has been that the Department does not have an adequate staff qualified to enforce packer trade practice activities while the Federal Trade Commission has a qualified staff in this field which could do the work without additional appropriation. Those who have made this charge demonstrate their lack of understanding or a lack of desire to understand the Department's operations in this field. All of the packers' labeling in interstate commerce must first be approved by the Department's Meat Inspection Division and the product sold by these packers must be processed and packaged in accordance with instructions of the Department. It is obviously unreasonable for the Department to institute a proceeding in regard to labeling practices which it, itself, has approved and completely controls. Actually, instead of a very limited number of people in the Department who are qualified and available to see that packers comply with fair trade trade practices as well as other Federal laws, the Department has many personnel overseeing and supervising meat-packer activities in the merchandising field.

The PRESIDING OFFICER (Mr. MORTON in the chair). The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 5 additional minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for an additional 5 minutes.

Mr. HRUSKA. Mr. President, not only are the labeling of meat and the manufacture of meat products controlled by the Meat Inspection Division with approximately 3,000 employees, but prices paid by packers for livestock and prices of meat sold by packers are reported by a staff of reporters at nearly 50 different markets. Over 400 Department-employed meat graders, skilled by years of experience in the industry and trade, acquainted with merchandising practices, are constantly applying uniform grades and standards to meat products produced by the packers. In addition, of course, the Department has its staff of about 100 employees who are thoroughly trained in the enforcement of the Packers and Stockyards Act and, in addition, this staff has the services and legal assistance of the Office of Gen-

eral Counsel. Nowhere in the Federal Trade Commission will one find comparable knowledge or experience which would provide an understanding of this complicated packing industry and its operations. Furthermore, representatives of the Federal Trade Commission have testified that the agency would have to have additional funds if it assumed this additional responsibility. It is obvious that the Federal Trade Commission would have to employ and train new people before it could acquire the knowledge and understanding of this industry.

In the interest of good government and a logical approach to the problem of jurisdiction and the welfare of the livestock and meat industry, the Department of Agriculture should retain the jurisdiction over the wholesale operations of meatpackers, and it should be given the authority which now rests in the Federal Trade Commission for the supervision of nonpacker interstate livestock transactions. There appears to be no controversy, on the other hand, that the Federal Trade Commission should be given jurisdiction over retail sales of packers and other those products handled by packers which are not related to livestock and meat, in terms of the definition of those words as found within the proposed measure.

I yield the floor, Mr. President.

Mr. WATKINS rose.

Mr. O'MAHONEY. Mr. President, I allot to the Senator from Utah 20 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 20 minutes.

Mr. WATKINS. Mr. President, the Committee on Agriculture and Forestry made certain recommendations in addition to those made by the Committee on the Judiciary. The Committee on Agriculture and Forestry recommends that:

The two agencies shall have concurrent jurisdiction with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products after they have been prepared in form for distribution (p. 4).

While I prefer the Judiciary Committee version of S. 1356 as it relates to jurisdiction over all packer wholesaling activities, I shall support the Agriculture Committee proposal, because I deem it imperative that if FTC is not to be given exclusive jurisdiction over meat wholesaling practices of packers, at least exclusive jurisdiction should no longer be lodged in the USDA.

I have already made a number of speeches on this subject, going back over the years to the time when I introduced the first bill relating to it. I do not intend today to restate all the matters of fact and the evidence which I have presented to the Senate during that period of time. The statement I am now making will be more or less of a summary of the other presentations.

As concerns concurrent jurisdiction, while it may result in confusion and inefficiency, such does not have to be the case. For example, both the FTC and the Justice Department have concurrent jurisdiction under the Clayton Act, and as the Chairman of the FTC told

the Agriculture Committee, "we get along with Justice very well"—hearings, page 85. There is no reason why the USDA and the FTC cannot develop such a working relationship either, if the Agriculture Committee proposal is enacted into law. Concurrent jurisdiction, as the committee report points out, "is a common aspect of our regulatory system"—page 4.

My major concern is that exclusive jurisdiction over the packer wholesaling activities not remain with the Department of Agriculture. The public has come to expect and demand that Government reinstate, where possible, and maintain by law as much price and product competition as the public interest necessitates in those areas of the economy in which it works badly or where little of it exists.

This public concern is reflected in the platforms of both political parties. It is a matter of bipartisan concern. For this reason, I was happy to join with my colleague the distinguished Senator from Wyoming [Mr. O'MAHONEY] in cosponsoring S. 1356 in the Senate, especially since the USDA's enforcement record indicates in my opinion that jurisdiction over packer meat wholesaling activities should no longer be the exclusive prerogative of that department.

S. 1356, as amended by the Agricultural Committee proposal, therefore, is designed to prevent unfair trade practices, and other lawful restraints in interstate commerce by persons engaged in wholesaling or distributing meats, meat products, nonmeat food and nonfood products.

The unfair trade practices it is designed to prevent are those which fall short of a Sherman Act violation, and thus do not come under the jurisdiction of the Department of Justice. This it does by amending the Federal Trade Commission Act so as to give to the FTC, concurrent jurisdiction over the meat and meat products wholesaling practices of the meat packing and distributing industry, and by amending the Packers and Stockyards Act so as to eliminate the exclusive authority the USDA has not used to prevent unfair trade practices in connection with such wholesaling activities under title II of that act.

Now a few comments as to what S. 1356 does not do. It does not give the FTC any authority to inspect meat packers or their operations under the Meat Inspection Act. Contrary to the impression, which some may have, the meat inspectors of the USDA will remain in the Department of Agriculture.

FTC jurisdiction over the wholesaling trade practices of meat packers begins when the products packers sell enter interstate commerce. Prior to that event the FTC is given absolutely no jurisdiction over packers. The FTC will have absolutely no jurisdiction over the buying and selling of live animals, or their slaughter and processing.

PACKERS AND STOCKYARDS ACT OF 1921

In the years prior to 1921 and before passage of the Packers and Stockyards Act, the FTC's investigation of packers resulted in the filing of antitrust suits by

the Justice Department against some five national packers.

Apparently rather than face prosecution, these packers signed a consent decree which since then has prevented them from dealing in 140 food and non-food products, chiefly vegetables, fruit, fish, and groceries; using their distribution facilities for the handling of any of these 140 products; owning and operating retail meat markets, and dealing in fresh milk or cream. In effect, they agreed to get out of the grocery business. In 1921, when the Congress was considering passage of legislation to regulate stockyards, the five national packers, who had signed the consent decree, were able to convince Congress that exclusive jurisdiction over trade practices in that industry should be transferred from the FTC to the USDA.

Regardless of the merits their arguments might have had in 1921, it is evident that 37 years of ineffective administration or nonenforcement of title II renders them completely valueless today. Experience, in my opinion, clearly indicates that the Congress made a mistake when it transferred exclusive jurisdiction to regulate trade practices of packers from the FTC, a specialized agency handling antitrust matters, to the USDA.

Mr. President, a review of USDA experience in the administration of the Packers and Stockyards Act will make this conclusion more obvious. In June 1956, Mr. Millard J. Cook, who for 25 years, 1929-55, was employed by the USDA in the enforcement of the Packers and Stockyards Act, the last 10 years of which he served as the head of the unit doing this enforcement work, told the Antitrust and Monopoly Subcommittee:

In the early years of the administration of the act * * * they (USDA) undertook rather extensive studies of the operations of packers * * *. They brought quite a few actions * * *. But at that time they had 150 employees, and took on as many as 30 part-time employees. They had relatively a large appropriation * * *.

From 1921, when the act was passed, up until about 1928 or 1929, they (P & S Administration) were an independent agency * * * and they reported directly to the Secretary of Agriculture * * * in the late 1920's prior to my becoming an employee of the Division, it was made a Division of the old Bureau of Animal Industry. (Transcript, June 28, 1956, pp. 336-37.)

When asked why this transfer of its status was made, Mr. Cook replied:

Well, I know only from comments that I have heard made. I was new in the organization, and the comments that were made were to the effect that the Secretary at the time was not favorable to the act. He disliked the act. * * *

And I think that some of the feeling of Secretary Jardine boiled over into the Bureau of Animal Industry, because thereafter there was not the inclination to go out and initiate investigations of monopolistic practices. (Transcript, June 28, 1956, p. 379.)

USDA HAS NOT SOUGHT ADEQUATE APPROPRIATIONS

In answer to questions of committee members concerning requests for funds made by the Packers and Stockyards Division during the 10 years he was head of it, Mr. Millard J. Cook replied as fol-

lows to the Senate Subcommittee on Antitrust and Monopoly in June 1956:

I made many recommendations, yes. I usually met with a pessimistic approach that it was useless to attempt to get any more money and that the explanation given to me was that Congress wouldn't be interested in appropriating more money for us to do a better job than we were doing.

I think you will find in the Department's records that there are numerous recommendations for increased appropriations. There were innumerable oral conferences with my superiors on the need for increased appropriations. * * *

I think there were a few instances in which my immediate superiors recommended increases, but then when it got into the hands of the budget people in the Department, they scaled down those increases. (Transcript, June 29, 1956, p. 366.)

This has been the history of requests made by the Packers and Stockyards Branch for title II enforcement, although some people who oppose S. 1356 have made or tried to make it appear that Congress was responsible. Information supplied me by the Secretary of Agriculture in a letter dated February 4, 1958, substantiate Mr. Cook's observations, that the difficulty has been with the Department of Agriculture not the Congress.

For example, for the 1955 fiscal year, the Packers and Stockyards Branch asked for \$767,000, the Agricultural Marketing Service cut this to \$667,000, and the United States Department of Agriculture further cut it to \$620,300, which sum was approved by the Bureau of the Budget and was appropriated by the Congress.

For the 1956 fiscal year, the Packers and Stockyards Branch asked for \$817,000 which the Agricultural Marketing Service cut to \$769,700, the United States Department of Agriculture cut to \$669,700. This sum was approved by the Bureau of the Budget, and Congress appropriated a like amount. In a supplemental request, the Packers and Stockyards Branch asked for an additional \$162,000 and neither the Agricultural Marketing Service or the United States Department of Agriculture would ask Congress to appropriate a dollar of it.

For fiscal 1957 the Packers and Stockyards Branch asked for \$831,700. The Agricultural Marketing Service cut it to \$819,700, the United States Department of Agriculture further cut it to \$775,700 which sum was approved by the Bureau of the Budget. Congress for the first time cut an executive branch request and then by only \$6,000, since it appropriated \$769,700.

For fiscal 1958 the Packers and Stockyards Branch asked for \$1,050,500 which the Agricultural Marketing Service promptly cut to \$997,910. The United States Department of Agriculture cut it further to \$982,910 and the Bureau of the Budget reduced it to \$981,100 and Congress appropriated \$803,100, a reduction of \$178,000 from what had been asked.

So, year after year this process went on. In recent times a little more was asked for; but Congress has not been derelict and has not refused to give the money. The money was not requested

for title II enforcement relating to wholesaling.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. BARRETT. I am somewhat concerned about the effect of the amendment proposed by the Committee on Agriculture and Forestry, and I should like to address a few questions to the distinguished Senator from Utah.

As I understand, under existing law the Department of Agriculture has exclusive jurisdiction over all transactions of packers in interstate commerce, as defined in the act at this time and will continue to have jurisdiction, but under the amendment proposed by the Senate Agriculture Committee the Federal Trade Commission has concurrent jurisdiction.

Mr. WATKINS. Each has concurrent jurisdiction under the Agriculture Committee amendment. The Secretary of Agriculture still has jurisdiction, but the Federal Trade Commission is to have concurrent jurisdiction with him.

From the report, I shall read a short explanation of the amendment:

(1) The Department of Agriculture shall have exclusive jurisdiction with respect to livestock and poultry through the packing plant, including all transactions in livestock in commerce at posted yards and elsewhere.

That extends their right to go outside posted yards, and to take care of the selling practices involving producers of livestock, and the packers, wherever exchange takes place.

(2) The Federal Trade Commission shall have exclusive jurisdiction with respect to products other than livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products.

Mr. BARRETT. I understand. Is it the intention of this amendment that the Secretary of Agriculture will have primary responsibility in this field?

Mr. WATKINS. It is not a question of primary jurisdiction, if they both have concurrent jurisdiction. If they have concurrent jurisdiction, both have equal jurisdiction. We have that situation in other instances of Government regulation.

Mr. BARRETT. In other words, each has complete jurisdiction over both fields; is that correct?

Mr. WATKINS. They have concurrent jurisdiction, which means that neither of them have exclusive jurisdiction. They have complete jurisdiction, but it is not exclusive.

Mr. BARRETT. Not exclusive.

Mr. WATKINS. They each have equal jurisdiction.

Mr. BARRETT. Over both retail and wholesale transactions?

Mr. WATKINS. Yes.

Mr. BARRETT. But the Department of Agriculture does have exclusive jurisdiction over livestock transactions in interstate commerce. Is that correct?

Mr. WATKINS. That is right. In the buying and selling department, its jurisdiction goes further than that it had previously. Now it can go into country marketing. The Department of Agriculture has control where the producers

sell to the packers, and over anyone buying for processing purposes.

Mr. BARRETT. Which is jurisdiction it does not have now.

Mr. WATKINS. That is correct; they only have it over packers who buy off posted stockyards.

Mr. BARRETT. The concurrent jurisdiction of the Commission and the Department of Agriculture extends only for a period of 3 years; is that correct?

Mr. WATKINS. That is true. That is the clear statement and the undisputed statement of what is meant by the amendment of the Committee on Agriculture and Forestry or concerns the wholesaling trade practices involving meat and meat food products, and so forth.

Personally I would have preferred what we previously had—that is the Judiciary Committee version. However, the argument was made that it would be just as well to have two guardians to watch the situation. It was said that the Department of Agriculture should be one of those guardians. I do not object seriously to it, because in the past most departments of the Government have been able to get along together. Since the Department of Agriculture has not been doing too much about it, I believe they actually would be glad to have someone else carry the burden.

Mr. BARRETT. As I understand, the amendment offered by the Senator from Illinois [Mr. DIRKSEN] gives primary jurisdiction in the wholesale field to the Department of Agriculture, and primary jurisdiction to the Commission over retail sales, but gives each department the right to go, whenever it is necessary, into the other field.

Mr. WATKINS. I think that is a correct statement, although I have not heard the amendment explained by Senator DIRKSEN. The Senator from Illinois has not yet presented it to the Senate. Is that a correct statement?

Mr. DIRKSEN. Not quite.

Mr. WATKINS. That may not be an exact statement, but I call attention to the fact, and it is interesting to me, that a certain number of packers have entered into a consent decree and agreed not to retail meat. They are the only ones that cannot be touched, because under the consent decree they cannot retail. They must stay in the wholesale field. That still keeps them on the little immunity island which they now have all to themselves. When it comes to wholesaling, they are not bothered at all by FTC, and they cannot retail, unless they can get the court to set aside the consent decree.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. WATKINS. May I have an additional 10 minutes?

Mr. O'MAHONEY. I yield the Senator from Utah 10 minutes.

Mr. BARRETT. I wish to ask another question. My distinguished colleague mentioned a moment ago that the Giant Food Stores became the owner of 100 shares of stock in Armour & Co., I believe, and that, as a result, an examiner determined that that qualified Giant as a

packer. Do I correctly understand that the decision of the examiner has the force and effect of law?

Mr. WATKINS. It only indicates what the examiner thinks the law is. The question must be determined by the Commission, and finally, must be decided by a Federal court. In the past, when a company bought at least a 20-percent interest, they were considered packers and were in the group of the elite. They were no longer subject to the Federal Trade Commission. By that device, they got out from under the FTC.

Mr. MALONE. Mr. President, if I may briefly interrupt the Senator, let me say that I favor the pending bill as it is being adjusted on the Senate floor to transfer to the Federal Trade Commission a certain amount of the responsibility for regulating the packers of livestock products, so as to make the regulation a joint responsibility of the Federal Trade Commission and the Department of Agriculture.

Mr. WATKINS. Mr. President, for fiscal 1959 the packers and stockyards branch asked for \$1,275,500, the AMS reduced this to \$1,104,500, which sum was approved by the Department and the Bureau of the Budget. Although the House reduced this by \$100,000, the Senate voted to restore it and give the full amount requested.

So, in only 2 years, 1957 and 1958, out of the last 6 years, did Congress appropriate less than the Bureau of the Budget asked for. No, Congress has not been derelict. By and large it has given the USDA exactly what it asked the Bureau of the Budget to approve.

This indeed is a story of lack of concern by not only the superior administrative officers but also by budget officials of the USDA. Consider these facts:

On July 6, 1956, I introduced S. 4187 in the Senate. The Senate Agriculture Committee to which it was referred requested a report from the USDA on July 10, 1956. In the meantime, the USDA's 1958 fiscal year budget request went to the Bureau of the Budget. Its request for new obligatory authority for administration of the Packers and Stockyards Act amount to \$178,000 to be used for the purpose of posting additional stockyards under title III—not title II—of the Packers and Stockyards Act. Not one dollar of new obligatory authority was requested by the USDA for expansion of its enforcement activities under title II of that act for the 1958 fiscal year relating to unfair trade practices in wholesaling or merchandising.

Information given the Committee by USDA officials, however, indicated that the Packers and Stockyards Branch requested additional new funds amounting to \$200,000 for title II enforcement.

Notwithstanding this background, the USDA on December 21, after its 1958 fiscal year request had gone to the Bureau of the Budget, rendered a report recommending against enactment of S. 4177. In spite of this negative report on a bill to transfer title II authority back to the FTC, and in spite of the Senate subcommittee's hearings on the meat industry in 1956, the testimony of

the USDA before the House Subcommittee on Agricultural appropriations for the 1958 fiscal year, makes it plan that the Department did not, until S. 1356 was introduced, intend to pay more attention to the enforcement of title II.

On February 7, 1957, Mr. Roy D. Lennartson, Deputy Administrator, Agricultural Marketing Service, told the House Appropriations Subcommittee:

Although we have been criticized recently for not devoting some of the funds under this act to explorations into trade practices on the part of packers and other outside the yards, I think our policy has been sound in attempting first to use our funds to bring the impact or benefits of this act down closest to where the producer can obtain them. (Hearings, part 2, p. 946.)

The Antitrust and Monopoly Subcommittee was told on May 22, 1957, by Assistant Secretary Butz, that the Department of Agriculture would not make a supplemental request for title II funds, but that we also anticipate requesting from Congress additional funds for administering the act, particularly title II, in our next budget request—hearings, page 368. However, the budget of the United States Government for the fiscal year ending June 30, 1959—page 323—indicates that the requested increase of \$225,000 in funds for regulatory activities of the Agricultural Marketing Service would be used to strengthen overall administration of the Packers and Stockyards Act. Then follows a table which, in my opinion, explains what is really meant by strengthening overall administration. The table shows that a total of 546 stockyards were posted and being supervised at the end of fiscal year 1957. It estimates that a total of 606 yards would be posted by the end of fiscal 1958—an increase of 60 yards, and that by the end of fiscal 1959 a total of 736 yards would be posted—an increase of 130 yards over fiscal 1958.

Primarily, the requested increase for fiscal 1959 is to be used, as it was intended last year, for posting and supervising more stockyards.

This is made clear by testimony given by the USDA to the Senate Appropriations Committee only a short time ago. I quote the pertinent part of the hearing record:

Senator HOLLAND. Will you show for the record how that \$225,000 was proposed to be budgeted?

Mr. PAARLBERG (Assistant Secretary). Yes; indeed.

The information is as follows:

"Budget for Packers and Stockyards Act. The \$225,000 increase requested for the administration of Packers and Stockyards Act was budgeted to provide an expanded staff for investigative and enforcement work under title II pertaining to buying and selling practices by packers and for posting and supervising stockyards under title III. The equivalent of 13 man-years was budgeted for title II work. Salary, travel, communication, and other costs for this expanded effort are estimated at approximately \$100,000. The balance, or approximately \$125,000, was budgeted for posting and supervision of an estimated 130 of the additional stockyards eligible under the act which are not currently serviced." (Hearings, pp. 663-64.)

The testimony of Mr. Roy D. Lennartson, Deputy Administrator, Agricultural Marketing Service, on the same occasion

also substantiates this fact. With respect to the \$100,000 of the requested \$225,000 increase to be used for title II enforcement he stated:

Of this appropriation increase we are anticipating using some \$75,000 to \$100,000 in this area of trade practices which would not necessarily only be limited to packers, Mr. Chairman. It would be spread over all the buying and merchandising activities of anyone engaged in the procurement of livestock.

This \$75,000 to \$100,000 of which I speak would be centered largely on these trade practice activities of the packer group and the large livestock buying group at county [buying] points and terminal markets. (Hearings, p. 226.)

In a letter to me dated February 4, 1958, the Secretary of Agriculture stated that:

It is estimated that about 15 percent to 20 percent of the time of all employees [Packers and Stockyards Branch] is now being spent on enforcement of title II compared with approximately 10 percent a year ago. At present, probably one-third to one-half of this time is spent on the trade practices of packers in connection with the merchandising of these products compared with a smaller amount a year ago.

At the most, about 9 percent of the time of the Packers and Stockyards Branch is devoted to title II enforcement relating to packer wholesaling trade practices. Under these circumstances, who can seriously suggest that the public interest can best be protected by letting the Department of Agriculture keep exclusive jurisdiction over packer meat wholesaling practices?

ADEQUATE TITLE II ENFORCEMENT STAFF LACKING

By contrast with the vigorous activities in earlier years under title II, as described by the former head of the Packers and Stockyards Branch, responsibility for prevention of unfair trade practices by meat packers until recently not only under title II but under title III as well here in Washington, D. C., was vested in the Trade Practices Section of the Packers and Stockyards Branch of the Livestock Division of the Agricultural Marketing Service. A separate and specialized Packers and Stockyards Act Regulatory Agency has long since been dispensed with. This Trade Practice Section was staffed by two marketing specialists and a stenographer at the time S. 1356 was introduced. In October 1957, it was renamed the Packer Section.

Neither one of the two marketing specialists who now comprise the Packer Section, or a single employee in any of the 20 understaffed field offices maintained by the Packer and Stockyards Branch, is engaged full-time in title II enforcement.

We must keep that in mind. They have many other activities to perform in connection with the purchasing and processing of livestock, and such activity but they have done very little with respect to the enforcement of the unfair trade practices provision of the act relating to wholesaling.

A review of the USDA's April 4, 1957, self-appraisal report on the Packers and Stockyards Act administration indicates, in addition, as does the Department's appropriation request for both the 1958 and

1959 fiscal years that the great bulk of the work of this packer section and the Packers and Stockyards Branch itself has been and will continue to be spent in title III enforcement—regulation and posting of stockyards. Any action taken under title II as concerns packer wholesaling practices will remain incidental to its title III activities at stockyards.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. WATKINS. I have very little time left. Does the Senator wish to speak on this matter?

Mr. REVERCOMB. I wish to ask a question about the bill.

Mr. WATKINS. I yield.

Mr. REVERCOMB. Perhaps the Senator has discussed this matter, but unfortunately I was called from the Chamber. To what extent does the bill affect poultry and poultry products, or dealers and handlers of poultry, as they are not affected under the present law? Can the Senator state in summary what the bill provides in that respect?

Mr. WATKINS. The licensing provisions will remain in the Department of Agriculture.

Mr. REVERCOMB. Nothing new is added with respect to poultry inspection?

Mr. WATKINS. That is correct.

Mr. REVERCOMB. I thank the Senator.

Mr. WATKINS. These remarks are not to be deemed criticism of the personnel of the packer section or of the Packers and Stockyards branch itself. The personnel of that branch are to be commended for their continued efforts to obtain more funds and to expand their title II activities involving packer wholesaling practices. These remarks however, are meant to be critical of several national administrations, except during periods of price control, for the almost complete lack of action in the past to support the Packers and Stockyards branch and thereby to comply with the congressional mandate given the USDA in 1921 to prevent unfair wholesaling trade practices in the meat-packing industry. The simple fact is that the Packers and Stockyards branch has not been permitted to obtain an adequate enforcement staff for prevention of unfair trade practices in the merchandising of meat and meat products under title II of the act.

I call attention to the fact that there has not been any activity along this line, and that has been admitted by the Department itself.

At the present time, this agency has exactly 74 professional employees. Thirteen are in Washington, and consist of 2 administrative officers, 7 marketing specialists, 1 engineer, 2 scales and weighing specialists, and 1 tariff or rate specialist.

In the field it has 20 field offices located at stockyards, and a staff of 61 professional employees, which consists of 43 marketing specialists, 3 engineers, and 15 accountants.

The USDA's office of General Counsel has in Washington 5 lawyers, who are devoting their time to the Packers and Stockyards Act, and 7 attorneys

who work generally on legal work in this area, Mr. Charles Bucy, Assistant Counsel, told the Senate Agriculture Committee—transcript, pages 172-173. Not one of these even devotes full time to preventing unfair wholesaling trade practices by packers. Their work, by and large, relates to violations of the law in connection with livestock transactions.

This self-appraisal report I have referred to states that "the organization that is maintained in administering the Packers and Stockyards Act permits a high degree of flexibility in planning and conducting major investigations and in meeting the fluctuating demands of different district offices. This is because the entire field force may be actively utilized in such an investigation whenever necessary," page 8.

This statement appears to be a self-directed gratuity rather than a fact, as is revealed by examination of Assistant Secretary Butz and Mr. D. M. Pettus, Director, Livestock Division, Agricultural Marketing Service, before the Senate subcommittee. Consider the following colloquy between those gentlemen and myself:

Senator WATKINS. Mr. Secretary, * * *, is it not true that in the Ogden, Utah, area you have 2 marketing specialists and 1 clerk—3 people to regulate 26 packers in 3 States, 12 of them in Utah, 13 in Idaho, and also 1 in Oregon?

Mr. PETTUS. Those are the people permanently assigned to that location. When we have an investigation underway, we frequently bring in people from other markets and from our Washington area and add to our staff.

Senator WATKINS. If they do not have any bigger staff in other areas than in this, what would you have to enforce the law where you are moving them from?

Mr. PETTUS. We leave a reduced staff.

Senator WATKINS. For instance, in Billings, Mont., you have 1 marketing specialist and 1 half-time clerk, as I get it, to regulate 5 packers in Utah, 3 in Idaho, 2 in Wyoming and 11 in Montana; 21 altogether. How in the world can you take anybody from that area to help somewhere else such as the Ogden, Utah, area if the others are manned in the same way? (Hearings, p. 391.)

At this point, Mr. Butz asked Acting Director Pettus to explain how a case 2 years ago in the Ogden, Utah, area was handled. In part, Mr. Pettus replied:

Mr. PETTUS. I cannot recall at the moment how many people we had looking into the particular transaction, but we try to operate it with as few people as possible because we are spread so thin, Senator. (Hearings, p. 392.)

To this I replied, with the colloquy continuing as follows:

Senator WATKINS. I recognize you are spread thin, and that is our complaint—that you do not have enough force to do the job in title II.

Mr. PETTUS. We agree with you, and I think that is pointed out.

Senator WATKINS. We have not had for nearly 36 years.

Mr. PETTUS. I agree with you, sir.

Senator WATKINS. We think that this is a long enough trial period * * *. With all the problems that have been handed to Agriculture, we thought we would certainly find someone who would be glad to get rid of this matter of law enforcement in the field in

which the FTC has a special interest by reason of the Act of Congress creating it as an independent regulatory agency—a special arm of the Congress.

Mr. BUTZ. It is quite true for 26 years it has not been adequately enforced, but don't you think when the sinner confesses and resolves to do better he should be given a chance? (Hearings, p. 392.)

That was not a facetious remark, as I remember.

As a confessed sinner, what has the Department of Agriculture actually done since Assistant Secretary Butz said it had resolved to do better? What has it done to streamline its enforcement agency, the packers and stockyards branch, so that greater emphasis can be put on title II enforcement relating to packer wholesaling practices?

Mr. President, it has not carried out that resolve, because it has not sought the funds to employ enough personnel to do the job.

I do not care to review and rehash matters I have previously brought before this body, in regard to this subject.

However, Mr. President, I should like to point out, in summary, that—

First. Only 92 formal cases, in 37 years, in spite of thousands upon thousands of livestock and wholesaling transactions, have been brought by the Department of Agriculture under title II.

Second. Only 36 formal cease-and-desist orders have been issued to packers under title II in 37 years.

Third. Of the 36 formal cease-and-desist orders issued to packers under title II, only 9 have been issued for unfair trade practices involving the wholesaling or merchandising of meat, meat food products, and so forth.

Fourth. By comparison, the Federal Trade Commission has issued some 5,000 cease-and-desist orders to business firms for unfair trade practices in all fields of business activity. But, as Chairman Gwynne told the Senate Agriculture Committee, "at the present time about 33 percent of all the Commission's investigations are in the field of food marketing and distribution," report, page 10.

Fifth. For these reasons I can only conclude that the United States Department of Agriculture should no longer be permitted to have exclusive jurisdiction over packer wholesaling activities involving meat and meat products, because it has not been doing any better than it did in the past 36 years, since the Congress took interest in this matter again—over two years ago.

The PRESIDING OFFICER (Mr. MORRISON in the chair). The time yielded to the Senator from Utah has expired.

Mr. WATKINS. Mr. President, will the Senator from Wyoming yield 1 or 2 additional minutes to me?

Mr. O'MAHONEY. I yield 2 additional minutes to the Senator from Utah.

Mr. WATKINS. I thank the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 additional minutes.

Mr. WATKINS. Mr. President, by comparison, the Federal Trade Commission has a staff of more than 700 persons. We asked whether the Federal

Trade Commission could enforce the law, if Senate bill 1356 were enacted. Mr. Earl Kinter, general counsel of the Federal Trade Commission, told the Senate Judiciary Committee that the Commission "has personnel trained in the problems which would arise under this proposed legislation, and I am confident that if the Congress sees fit to place this responsibility upon the Commission, its staff is fully able to handle the job and handle it well" (hearings, p. 59).

Mr. President, I yield back the remaining 1 minute which has been yielded to me.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Kansas [Mr. SCHOEPPPEL].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. SCHOEPPPEL. Mr. President, in the bill, which is a most important measure, I note the provision appearing on page 8, in lines 9, 10, and 11, which apparently expands the jurisdiction of the Secretary of Agriculture over livestock transactions in interstate commerce, so as to cover all such transactions, including those at auction markets and so-called country buying points, whereas presently such jurisdiction—except with respect to packers—is limited to transactions at stockyards of more than 20,000 square feet engaged in interstate commerce.

Subsection (g) makes all stockyards in interstate commerce subject to the jurisdiction of the Secretary of Commerce, by removing the present limitation of 20,000 square feet in the definition of stockyards.

In addition to placing the smaller interstate stockyards under the same regulation as the larger yards, this provision of the bill also would require those engaged in business therein as market agencies or dealers to register with the Department of Agriculture, the same as those in the larger yards.

I do not know whether the members of the Judiciary Committee, in their deliberations on this matter, received any complaints from very many, or any, of the States. But, Mr. President, I wish to say to the other Members of the Senate who today are considering this matter that in my State of Kansas, and, I am sure, in other States, there are scores and scores of auctions that render great service to the livestock industry. Many of those auctions are held perhaps on one day a week or perhaps on 1 day every 2 weeks; and at those auctions many of the patrons sell cattle which never go into interstate commerce.

I wish to direct the attention of the members of the committee and the attention of the other Members of the Senate who today are considering this matter to the fact that I have received from my State of Kansas a very urgent request with reference to the inclusion of this section in the bill. Those who have made the request are objecting to its inclusion. The telegram is dated April 28, after the committee's deliberations on this matter were concluded, and after the report was published.

The telegram reads as follows:

HERINGTON, KANS., April 28, 1958.

HON. ANDREW F. SCHOEPPPEL,
United States Senate,
Washington, D. C.:

We respectfully request that you immediately exert all power and influence at your command to defeat the passage of bill S. 1356, Calendar No. 1489, as reported by Mr. HOLLAND as amended by the Committee on the Judiciary and the Committee on Agriculture and Forestry. The amendment starting with line 9 on page 8 as follows: "(G) Section 302 (A) of title III of such act (42 Stat. 163; 7 U. S. C. 202a) is amended by striking out the last sentence thereof."

Here is the pertinent part:

The Kansas Livestock Auction Association finds that the inclusion of livestock-auction markets of less than 20,000 feet is a hardship on over one-half of the livestock-auction sales operating in Kansas and, in our opinion, would be harmful to the entire industry in the State of Kansas. If an honest effort was being made to revise or amend an outmoded inapplicable law which as never created in the first place for public livestock auctions in 1921, it would be one thing, but this amendment only provides to take all of the livestock auctions under the same law that a few are now improperly under. Be advised that the National Marketing Council and the National American Association is not speaking for nor do they represent our association, nor do they speak for the majority of the livestock-auction sales of Kansas. This request is made by unanimous vote of the members of the Kansas Livestock Auction Association assembled at their annual meeting of the association held in Salina, Kans., Sunday, April 27, 1958. Will certainly appreciate your efforts in behalf of the livestock-auction industry of Kansas.

Sincerely,

JOE A. SANDERSON,
President.

NORTON, KANS.

JOHN D. KIRKLAND,
Secretary-Treasurer,
Kansas Livestock Auction Association,
HERINGTON, KANS.

The PRESIDING OFFICER. The time yielded to the Senator from Kansas has expired.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Illinois yield 2 additional minutes to me?

Mr. DIRKSEN. I yield 2 additional minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 2 additional minutes.

Mr. SCHOEPPPEL. Mr. President, I am bringing this matter to the attention of the Senate at this time, while the Senate is considering an amendment of this nature, along with others which also are very important, and in some of which I concur.

While I am on my feet, I wish to say that I believe in the principles as set forth in, and as explained in connection with, the amendment of the Senator from Illinois [Mr. DIRKSEN].

I was wondering whether the Judiciary Committee, in its judgment, when it considered this matter, received any objections from any of the auction associations in any of the other States. I should like to address the question to the distinguished Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. I am happy to reply to the question of the Senator from Kansas.

This provision was initiated by the Senator from North Dakota [Mr. YOUNG]. It was a part of the Young-Carroll-O'Mahoney-Watkins amendment. We accepted the amendment suggested by the Senator from North Dakota [Mr. YOUNG] and the Senator from Colorado [Mr. CARROLL], and were ready to accept it on the floor, if we had gone that far. We did not reach that point because the bill was sent to the two committees for consideration. The Young-Carroll amendment was adopted by the Committee on Agriculture and Forestry. This is the first objection that has come to my attention from any source.

I may say to the Senator that we must bear in mind that we are dealing here with an amendment of the Packers and Stockyards Act, and the title of that act is "An act to regulate interstate and foreign commerce in livestock, livestock products, dairy products, poultry, poultry products, and eggs, and for other purposes."

Under that title, and under the provisions of the act, only auction yards engaged in interstate commerce are affected, regardless of their size. The fact that the limitation of 20,000 square feet was eliminated in the other amendment does not mean any auction yard engaged in interstate commerce is affected.

Mr. SCHOEPPPEL. I am glad to have the Senator make that explanation for the benefit of the historical record. I think that is probably where some of the misunderstanding arose.

The PRESIDING OFFICER. The time of the Senator from Kansas has once more expired.

Mr. DIRKSEN. Mr. President, I yield 2 more minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 2 minutes.

Mr. SCHOEPPPEL. I think that is probably why some of the erroneous impressions have been gained. Some persons probably think the provision will apply to all their transactions, intrastate as well as interstate. I think it is most helpful for us to have an explanation in the RECORD at this time. As I said a while ago, I did not know whether any other State association, through its proper representatives, had raised this question.

Mr. O'MAHONEY. None whatever.

Mr. SCHOEPPPEL. I thought it was a sufficiently important question to suggest it to the Senate while it is considering other amendments. I thank the Senator from Wyoming and the other members of the committee who have presented the matter for the full consideration which they have given us today.

Mr. O'MAHONEY. Mr. President, in further response to the Senator from Kansas, and speaking in my own time, I should like to call attention to page 4 of the report of the committees submitted by the Senator from Florida [Mr. HOLLAND]. The report is No. 1464.

This is a very brief description of what the amendment does. Of course, the law is so technical that one is not surprised that readers of the bill itself might find it difficult to understand it, but I think the report submitted by the Senator from Florida makes the whole question very clear:

The amendment of the Committee on Agriculture and Forestry provides that in the field of unfair trade practices covered by the Packers and Stockyards Act, 1921, and the acts administered by the Federal Trade Commission the division of authority, subject to certain exceptions shall be as follows:

(1) The Department of Agriculture shall have exclusive jurisdiction with respect to livestock and poultry through the packing plant, including all transactions in livestock in commerce at posted yards and elsewhere;

Senators can see how carefully the report refers to the expression "in commerce," meaning in interstate commerce.

I resume reading from page 4 of the report:

(2) The Federal Trade Commission shall have exclusive jurisdiction with respect to products other than livestock, meats, meat food products, livestock products in unmanufactured form, poultry, and poultry products; and

(3) The two agencies shall have concurrent jurisdiction with respect to meats, meat food products, livestock products in unmanufactured form, and poultry products after they have been prepared in form for distribution.

It was in consideration of that statement that I said to the Senator from Florida I felt the Committee on Agriculture and Forestry had done a masterly piece of work in handling the technicalities of this proposed legislation in such form as to make them as clear as possible. The proposal brings together both the Department of Agriculture and the Federal Trade Commission.

Mr. SCHOEPPPEL. I appreciate that statement very much. I may say to the distinguished Senator from Wyoming that I know this is a very technical approach, and is susceptible to being misunderstood unless it is given very careful thought and study. In considering some of the troubled situations the explanation will be most helpful as a guide for those who think the measure goes further than it ought to go.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes, in order to make further reply to the inquiry of the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 minutes.

Mr. DIRKSEN. The development of truck transportation has, of course, modified the livestock industry very considerably. For example, I think there are 500 posted auctions today and 500 unposted auctions. Then there is direct country buying. In addition, there are country markets. As I recall, there are some 1,500 unposted country markets today.

One difficulty with the administration of the law has been the limitation of the 20,000-square-foot area, because a market might cover an area less than 20,000 square feet. It might be only 10,000 square feet, or even 5,000 square

feet, and do a very considerable business in interstate commerce.

Therefore, in the interest of expeditious and effective administration of the law, I think it was pretty well agreed that the 20,000-square-foot limitation should be stricken from the law.

Insofar as I know, through my membership on the subcommittee, in the hearings before the Committee on Agriculture and Forestry and elsewhere no objection came to my attention with respect to the removal of the 20,000-square-foot limitation.

Mr. SCHOEPPPEL. I thank the Senator.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished Senator from Nebraska [Mr. HRUSKA].

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 10 minutes.

Mr. HRUSKA. Mr. President, earlier in the day I engaged in some discussion of the pending measure, with particular reference to the background of the proposed act, and especially concerning some of the charges and claims which were made in respect to officials of the Department of Agriculture and others who had been engaged in the administration of the Packers and Stockyards Act. Those remarks on my part were not made in a negative way. After all, there is very little to be gained by recrimination or by trying to fasten blame or by trying to arrive at an alibi of one kind or another. Therefore, I should like to discuss for a few minutes some of my thoughts with reference to what can be done respecting the amendment of the present Packers and Stockyards Act so as to meet properly the essence of the complaints made against it and the inadequacies which have been assigned to it.

It is recognized that there is a need for certain changes in the act to increase the effectiveness of the Federal Trade Commission and the Department of Agriculture in their fields of primary interest. At the present time all activities of meat packing companies are under the exclusive jurisdiction of Agriculture. This includes jurisdiction over many products handled by these firms but not directly related to livestock, meats, or poultry. The Federal Trade Commission, on the other hand, has exclusive jurisdiction over livestock operations of nonpackers in commerce away from posted stockyards. As a result, neither the Department of Agriculture nor the Federal Trade Commission has complete jurisdiction over commodities within their respective fields. To correct this situation the Packers and Stockyards Act should be amended to:

First. Transfer jurisdiction over the practices of meat packers in commerce not related to livestock, meats, meat food products; livestock products in unmanufactured form, poultry or poultry products to the Federal Trade Commission. The Commission already has responsibility over many competing firms in these fields and this would serve to complete its jurisdiction.

Second. Provide for concurrent jurisdiction by the Federal Trade Commission with the Department of Agriculture over retail merchandising of products of livestock and poultry in commerce so the Commission will have complete jurisdiction over competition in the retail field. The Department, however, should retain concurrent jurisdiction of packers' meat and poultry operations at this retail level, because such authority is essential in the regulation of competition in the livestock and poultry fields.

Third. Transfer from the Federal Trade Commission to the Department jurisdiction over livestock marketing transactions in commerce by nonpackers at points away from posted stockyards. This would give the Department complete jurisdiction in the livestock marketing field.

Fourth. Provide authority for the Secretary to delegate to the Commission authority over specific packer activities when he determines such action to be in the public interest.

Mr. SCHOEPEL. Mr. President, will the Senator yield?

Mr. HRUSKA. I am happy to yield.

Mr. SCHOEPEL. I have been listening with interest to the distinguished Senator from Nebraska, and what the Senator has stated is what I had hoped we might arrive at in considering this very important measure. As I view the bill presently before the Senate, it does not accomplish what we desire.

Mr. HRUSKA. The Senator is correct.

Mr. SCHOEPEL. I believe what we need is a practical approach to the matter. I am very glad the Senator from Nebraska is pointing it out distinctly now, because, as I remember from checking the matter, the people with whom I have talked, and many people in my State, favor exactly that type of approach.

Mr. HRUSKA. So does the Senator from Nebraska. In due time the Senator from Nebraska will evidence his views in this respect by voting for the substitute which the Senator from Illinois proposes to offer.

These amendments to the act would aid in efficient regulation of the livestock and meat packing industry by clarifying the areas of jurisdiction between the Department of Agriculture and the Federal Trade Commission. Through these amendments the Department of Agriculture would be able to concentrate its attention under the act to those activities relating to livestock, meats, meat-food products, livestock products in unmanufactured form, and poultry and poultry products. All these directly affect producers. The Federal Trade Commission's jurisdiction would be extended to cover those packer activities relating to other commodities. In addition, it would include on a concurrent jurisdiction basis the retail merchandising of the products of livestock and poultry. Provision is also made for the Secretary to delegate authority to the Federal Trade Commission, which would eliminate the possibility of violators avoiding or delaying prosecution in cases involving borderline jurisdictional areas. There are other strong and important reasons for retention in the Department

of Agriculture of jurisdiction over livestock and poultry and their directly related products.

The livestock production, marketing, slaughtering, processing and meat merchandising industries are closely related to and connected with the farm problem and agricultural economy. Farmers depend on livestock for a large percentage of their total income. The Department of Agriculture has many activities and programs in these related fields designed to aid livestock producers in obtaining full value for their products. There is a large fund of knowledge in the Department in these closely related fields that is very useful in enforcement of the Packers and Stockyards Act.

The exercise of jurisdiction by the Department of Agriculture over the marketing of meat is not unique with respect to agricultural commodities or products. The producer's product, whether it be livestock or any other product, must be processed into the form required for merchandising. In the case of livestock, this consists of slaughtering, dressing, and such additional processing as may be necessary to put the meat in the form of salable cuts. In the case of fruits and vegetables, the same end is accomplished by harvesting the fruit or vegetable from the tree or plant, cleaning, sorting, grading, waxing, stemming, chilling, as the case may be, and packing in wholesale packages.

With respect to meat, the Department regulates the unfair practices in the wholesale or retail marketing thereof under the Packers and Stockyards Act if the firm slaughters livestock or processes meat for sale or shipment in commerce. In the case of fruits and vegetables, whether fresh or frozen, the Department, under the Perishable Agricultural Commodities Act of 1930, regulates the trade practices of all persons engaged in handling such commodities either as brokers or dealers, including retail dealers purchasing in wholesale lots, thus including all of the major retail grocery-chain organizations.

It is, therefore, apparent that the jurisdiction with respect to meat is comparable to the Department's jurisdiction with respect to fruits and vegetables except that in the field of meat the jurisdiction is limited to packers, not including wholesalers or retailers who do not slaughter or process meats for sale or shipment in commerce, whereas with respect to fruits and vegetables such jurisdiction is exercised with respect to all persons. The Department's jurisdiction over trade practices is not limited to these two fields. Under other regulatory programs the Department exercises jurisdiction in the field of wholesale marketing of other commodities, including milk, grains, cotton, butter, eggs, insecticides, seed, fungicides, rodenticides, virus serums, and toxins, fats and oils, and wool.

Suppose that several large meat packers agreed with their competitors upon prices at which meat would be sold and attempted to allocate territory for the sale of meats in an area, thereby eliminating competition among them in the marketing of meat. It is a matter of elementary mathematics and economics

that once the sales price of a processed or manufactured product is fixed, the price that can be paid for the raw material, in this case livestock, is necessarily the sales price of the end product less the profit margin and the cost of processing and marketing of the product. This collusive practice fixing the price and amount of meat that could be sold by each of the packers would, therefore, automatically restrict competition between these firms for live animals and substantially affect the range of livestock prices by reason of the packers being the major factor on the purchasing side of livestock marketing.

One of the most frequent arguments used by packer buyers in their negotiations with sellers for livestock is that the cattle will be graded a lower grade by the Federal grader at the carcass level than the grade which the seller is contending the cattle will make. Unless the Department of Agriculture has ready access to the records of sale of carcasses by the packers, this unverified claim by the packer could be very damaging to the livestock producers' interests.

Because of the above situation some producers have from time to time sold their cattle on the basis of the carcass grade of the cattle on the rail. Here again, it is obvious that the Department of Agriculture must have access to the meat operations of a packer in order to protect the producers' interests. The above situation becomes even more involved in those instances in which the packer has persuaded the producer to "consign" his cattle and take whatever prices the packer is able to obtain in merchandising the carcasses. The possibility of a packer defrauding the producer by substituting inferior carcasses or by "tying in" the sale of certain inferior carcasses of his own with higher grade carcasses of the producer is quite evident.

Many packers do not slaughter livestock but purchase their meat for processing from other packers. It is entirely possible for packers who customarily compete for livestock for slaughter to avoid this competition through agreement to purchase their meat in carcass form from their competitors. The effect on competition of such relationships is only apparent if both livestock and meat operations can be scrutinized by the same agency.

Meat packers have long contended that the major chains, through their purchase of meat, control to a large extent the prices packers can pay for livestock. In any event, the influence of major chains in the pricing of carcass meats, and indirectly of livestock, is considerable. It is estimated that 25 percent of the total business of the retail food chains is in meat and meat products. If this is true, out of a total of \$12.8 billion of meat products sold at retail in 1956, 7 major chains sold more than 20 percent. One chain alone sold nearly 9 percent of all meat sold in the United States, and the top 3 chains sold nearly one-sixth of all meat. The effect of their purchases in such tremendous quantities on livestock prices is necessarily substantial.

All major chain stores process meat and meat food products in varying degrees. In addition, certain of the largest major chains feed, buy, and slaughter livestock and process and retail meats. The effect of trade practices in the integrated operations of such firms on competition at various levels cannot be determined in most instances unless the entire operations of such firms are open to investigation. This situation may become more prevalent in the near future due to the increased attention currently being given to further integration of operations by packers.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 2 minutes.

Mr. HRUSKA. Mr. President, the Department of Agriculture has taken the following steps during the past year to bring about more effective administration of title II of the act:

First. Completed, in April 1957, a survey of the work conducted under the act to determine the need for further expansion of investigative activity under title II.

Second. Transferred \$20,000 to the Packers and Stockyards Branch in May 1957 to permit expansion of investigation work in connection with enforcement of title II during the remainder of fiscal year 1956-57.

Third. Transferred \$75,000 to the Packers and Stockyards Branch in July 1957 for more effective enforcement of title II during the fiscal year 1957-58.

Fourth. Established in late October 1957 a separate Packer Section in the Packers and Stockyards Branch for the specific purpose of improving enforcement of unfair trade practices in the meat-packing industry. This section is to direct investigations in this field conducted by the 20 field offices of the branch. The section is now staffed with three marketing specialists, and a further increase in staff is anticipated.

Fifth. Established in February 1958 in the office of the Director of the Livestock Division, a deputy director who will give overall direction to the administration of this act. Mr. Lee D. Sinclair, formerly Chief of the Packers and Stockyards Branch, has been named deputy director in this new alignment of administrative responsibility.

Sixth. The Department requested \$225,000 in additional funds for fiscal year 1958-59 to strengthen the overall administration of the act. This request was approved by the Bureau of the Budget. Of this amount, approximately \$75,000 has been specifically earmarked for increased emphasis on enforcement of title II.

Seventh. Increased emphasis has been approved, within the limits of available funds, on the investigation of practices of the meatpacking and merchandising industries at all district of-

fices of the Packers and Stockyards Branch.

The effect of the administrative action on the part of the Department is clearly evidenced by the rapid increase in the volume of work handled under title II of the act, by the Branch during the past year. The number of these investigations underway increased from 17 in April 1957 to 37 in November 1957, 45 in February 1958, and 57 pending on April 15, 1958. During this same period 16 investigations were completed. Eleven formal actions involving meat packers are awaiting hearing on the issuance of final orders. The investigations have been completed in all of these cases, and hearings have been held in several of them. The complaints investigated and settled involved matters ranging from the acquisition of livestock to unfair and deceptive advertising practices. Most of the cases settled were handled on an informal basis without the necessity of resorting to formal hearings. Four formal complaints against meat packers have been settled during this period by an admission of the facts and consent to issuance of cease-and-desist orders. Several major investigations are currently underway involving simulation of Federal meat grades, financial conditions of the meat industry, livestock integration, meat and poultry retail merchandising practices and advertising allowances in the sale of meats and poultry. Most of these investigations are in their initial stages, and are designed to keep the Department informed of current marketing practices and trends in the meat and poultry packing and merchandising industries.

Therefore, Mr. President, as I observed a little while ago, in the light of this type of reasoning and these thoughts, it will be my intention to support the substitute which the Senator from Illinois has indicated he will shortly propose.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, first I wish to express my real delight to my distinguished friend from Wyoming [Mr. O'MAHONEY] who has, according to his statement on the floor, accepted the Holland proposal in the nature of an amendment to the original Senate bill 1356. I think that is correct; and I wish to complement him for his discernment. If he could muster only a little more discernment and embrace the substitute which I shall offer before this discussion concludes, I should be happy, indeed. In any event, he has come a long way in that direction, and I believe he deserves a compliment for the increasing discernment which he has exhibited.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. O'MAHONEY. I accept the compliment, very modestly. I appreciate the fact that the Senator has paid me that compliment. I say to him that I recognize a good thing when I see it. I have read the Senator's amendment, and I have read the Holland amendment. When I read the Holland amendment I had no doubt that it should be

accepted; but when I read the Senator's amendment and heard him discuss it, my mind was filled with doubt, much as I regret to say so.

Mr. DIRKSEN. I have known my distinguished friend from Wyoming for a long time. I know his capacity for increasing enlightenment, and I still nourish the hope that he will go further.

I shall not detain the Senate very long with a discussion of this subject, which has been before the Committee on the Judiciary since last year. There have been long and very interesting hearings. A historical review is scarcely necessary, because I ventilated the subject before the Senate Committee on Agriculture and Forestry when the bill was referred to it for further consideration.

The Packers and Stockyards Act has been on the statute books since 1921, or a period of 37 years. So far as I can determine, in that space of time at least 123 separate and distinct efforts have been made to amend or modify it. Very few amendments, indeed, have been adopted by the Congress. I think that is testimony as to the intent of Congress in the first instance, when the Packers and Stockyards Act was enacted. Congress desired, of course, to vest a large measure of jurisdiction in the Department of Agriculture, so that it could develop an integrated policing operation as well as an investigatory operation, in the interest of the packing industry, in the interest of safeguarding the consumer, and, of course, in the interest of the orderly marketing of meat products.

There have been some changes in conditions since 1921. As I pointed out to my distinguished friend from Kansas [Mr. SCHOEPPEL], there has been a change in direct country buying. I think it accounts for 40 percent of the business today. The number of auction markets has increased. A great many of them are small; but I think there are at least 1,500 which may not be posted. There has been a change in the marketing of livestock as the volume of that business has grown. So I am not insensible of the fact that, as conditions change, so, on occasion, there must be changes in the law. When this subject was before us for consideration I was unwilling to go so far as the distinguished Senator from Wyoming [Mr. O'MAHONEY] and the distinguished Senator from Utah [Mr. WATKINS] would go. They jointly authored Senate bill 1356.

I wish again to compliment the Senator from Wyoming. I thought this subject should properly be considered by the Senate Committee on Agriculture and Forestry. I am not unaware, of course, that in the rule book we employ certain words to indicate the jurisdiction of the respective committees. There is no question that the Committee on the Judiciary did have jurisdiction in this field. But when we examine the subject matter, we find that this question is one upon which the Committee on Agriculture and Forestry should have passed in the first instance. So the Senator from Wyoming very amiably

joined in the proposal that the bill go to the Committee on Agriculture and Forestry for further consideration.

I was present at least a part of the time when it was considered. I made what I thought was a rather expanded statement, but the Committee on Agriculture and Forestry, by a vote of 7 to 6, with 2 absentees, finally reported the so-called Holland proposal, which is before the Senate as an amendment to the original amendment to the Packers and Stockyards Act.

It is scarcely necessary for me to go over the ground covered by my distinguished compatriot, the Senator from Nebraska [Mr. HRUSKA]. He has pretty well analyzed the majority report and the views expressed by the minority members of the Judiciary Committee. I shall only skeletonize them.

The majority pointed out that the Department of Agriculture does not adequately enforce the act; that it has the power to use the Federal Trade Commission, but seldom, if ever, does so; that it pleaded a lack of funds as an excuse for nonenforcement; that it had an inadequate staff; that it failed to litigate and therefore failed to develop a body of case law; that it was loath to prosecute, and that it lacked interest in the aggressive enforcement of the act.

I shall make only a single comment on these items. With respect to the alleged failure to litigate and develop a body of case law, I reply that I am a lawyer, but I always hope to avoid litigation. I hope to avoid developing enough case law to fill the Capitol 10 times over, in all the courts of the land in a single year. That is not the purpose of the Department of Agriculture. Its purpose and function is essentially to police the administration of the act, to catch the deceptive and unfair practices before they go so far that there must be litigation. The function of the Department is to caution those involved, and say to them, "Look out; you are overstepping the bounds. If you continue to do so, we shall have to haul you into durance, and deal with you."

The function of the Department is to police the act, through various inspectors and personnel at the yards scattered all over the country, rather than to prosecute. I, for one, would never chide any agency of government for its failure to litigate and develop a substantial body of case law.

We thought there were answers to the argument of the majority. We conceded that there were changes in conditions, and that perhaps there should be some modification of the Packers and Stockyards Act. We pointed out that this operation was an integrated function, which began with the animal and continued all the way through the various processing procedures. We contend that primary jurisdiction should remain in the Department of Agriculture, and that its policy was to police and not to prosecute. We pointed out that the charges which were made—and the Senator from Nebraska has ably belabored that question—have not been substantiated; also that the Department was understaffed.

With respect to that particular item, I pointed out that the Department has 3,500 meat inspectors and 850 poultry inspectors. In order to have an adequate staff, the Federal Trade Commission would have to receive very substantial appropriations from Congress if it were ever to reach that level.

So we thought we had pretty well refuted the case made by the majority. We now come to the question of the three proposals before us: First, Senate bill 1356, as reported to the Senate by the Committee on the Judiciary; second, the amendment in the nature of a complete substitute, offered by the Senator from Florida [Mr. HOLLAND] on behalf of the Committee on Agriculture and Forestry; and third, the substitute which I shall offer.

Let me for the RECORD, more than for any other purpose, indicate what, in my judgment, the original bill reported to the Senate by the Judiciary Committee would have done.

As the Senator from Wyoming so ably points out, it is highly technical. Incidentally, that is one of my pet peeves. No one is chargeable or responsible for it exactly, but I wonder if sometime we will not have to look at the form in which bills are framed. We pick up a bill and it says, "Be it enacted," and so forth, "that paragraph 1 of subsection (a) of section 402 is deleted; that subsection (2) of paragraph 9 of section 926 is modified by striking out the comma and inserting the word 'and'."

To comprehend such bills becomes a real difficulty. To be sure there is a requirement under the rule that in the report the modifications in existing law and the deletions and additions must be shown. However, it still becomes rather difficult, especially when action on a bill has not been completed and there has been no report and no succinct analysis of the existing law and the changes which are proposed.

I defy even myself, oftentimes, to be able to determine what a bill will do. Perhaps, before we become too enmeshed in the legislative process, we will create a special subcommittee to look into the question of drafting bills, so that it will become abundantly clear on first reading what is proposed to be done.

Let us look at S. 1356. It would exclude packers from the interdiction of the Federal Trade Commission Act, so that it will be possible to deal with what is involved in the Packers and Stockyards Act.

The definitions are stricken as not necessary. I do not quarrel with all these proposals, because many of them are appropriate. The title is amended. The commerce provision is amended. There are changes in sections 401 and 403 of the act, to make it conform to the proposed changes. The word "packer" is stricken from section 502. Poultry dealers are brought under the FTC. The net effect is really found in the fact that title II of the Packers and Stockyards Act is, in effect, repealed. That is the real nub of the measure. That is what Senate bill 1356 would do.

What does the Holland substitute do? The Senator from Wyoming has placed

it before the Senate very succinctly and very capably. First, it deletes the packers and stockyards exclusion under the Federal Trade Commission Act and gives the Federal Trade Commission jurisdiction of livestock in commerce, and poultry, through the packing plants, including all transactions in livestock in commerce at posted yards and elsewhere.

That is, in substance, the substantial distinction between the O'Mahoney-Watkins bill and the Holland substitute. It leaves title II, but it amends it to make it apply to products. Then it amends title III, to do a number of things. It expands the concept of the marketing agencies to include all those engaged in commerce. It expands the definition of dealers, and States to what extent the term "dealer" shall apply. Then it expands the term "stockyard" and removes the 20,000-square-foot limitation in the existing law. Then it deals with registration. Finally it directs a better liaison between the Federal Trade Commission and the Department of Agriculture.

The effect, as I see it, of course, is to give the Department of Agriculture jurisdiction over livestock and poultry through the packing plants, and in commerce on livestock and products. It gives the Federal Trade Commission exclusive jurisdiction of products other than meat products and related products.

To make sure that it is clear, I believe everyone knows that over the years the packers were providing violin strings, Dutch cleanser, golf balls, and goodness knows what all. There was a great hue and cry about their marketing those products. Since they were packers, of course, they were not subject to the Federal Trade Commission. The Holland substitute provides that the Federal Trade Commission shall have exclusive jurisdiction of products other than meat and related livestock and poultry products. Then, finally, it gives concurrent jurisdiction over meat and poultry products after they have been prepared for distribution. That goes down to the retail level.

In one category jurisdiction is in the Department of Agriculture. In the second category exclusive jurisdiction is in the Federal Trade Commission. In the third category, concurrent jurisdiction is given to the Federal Trade Commission and the Department of Agriculture.

I have proposed a substitute, which I shall presently offer. The substitute is identical with H. R. 9020, introduced by Representative COOLEY, of North Carolina. It was considered by the House Committee on Agriculture, and was approved by a vote of 25 to 2. Last week the House Committee on Agriculture appeared before the House Rules Committee and received a rule to provide for 2 hours of debate. Since H. R. 9020, is on the House Calendar, and a rule for consideration has been issued, that bill, unless all signs fail, will be considered by the House of Representatives.

What does it do? It is very simple. It amends section 202 and inserts "products," so as actually to put the emphasis in the direction of things as distinguished from persons. It is the same as

the Holland amendment, in that it expands the general concept of marketing agency and dealer and stockyards so far as commerce is concerned. It contains one provision which does not appear in the other measures, and that is with respect to oleomargarine and retail sales, jurisdiction over which is placed in the Federal Trade Commission.

The difference lies in the fact that at the retail level, the Secretary of Agriculture can request the Federal Trade Commission not only to make an investigation, which is the case under existing law, and make a report, which is the case under existing law, but to institute proceedings, which is an authority not carried in existing law.

I am happier about the Holland proposal, since it was submitted as an amendment to the O'Mahoney-Watkins bill. I merely say to the Senate that the first vote will come on the proposal that I shall offer as an amendment in the nature of a substitute. I offer the proposal at this time, Mr. President. It may be necessary that the paging be modified, because I have not related it to the new text. Wherever it must appear, I suggest it be modified accordingly. I believe it would be necessary to strike out all of the Holland proposal. I offer my amendment as a substitute for that proposal.

The PRESIDING OFFICER (Mr. MORTON in the chair). As the Chair understands, the Senator from Illinois offers his amendment in lieu of the language proposed by the Committee on Agriculture and Forestry for the substitute reported by the Committee on the Judiciary.

Mr. DIRKSEN. Yes. I do not think it is necessary to discuss my amendment any further. The Senate generally is pretty much aware of the equities and the problems involved. I would add only one other statement. The Department of Agriculture, so far as I know—I certainly cannot speak for them officially, although I have had frequent liaison with the Department of Agriculture, and I am therefore pretty confident about this—would prefer the substitute which I am now offering. I believe I can say advisedly that this would meet the desire of the American Farm Bureau Federation. I believe it would meet the desires of the National Independent Meat Packers, which is an association, if I remember correctly, of about 1,500 small packers. I think it meets the desires of the large packers. Furthermore, I think it is more nearly in line with the testimony received from a good many of the associations throughout the country, including the cattle raisers.

With that statement, I conclude my remarks. I submit my amendment as a substitute for the Holland amendment.

The PRESIDING OFFICER. The substitute amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and insert in lieu thereof the following:

That the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended as follows:

(1) By amending section 202 by inserting after the word "unlawful" the words "with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products."

(2) By amending section 406 by inserting after the word "except" where it first appears in subsection (b) the words "with respect to margarine or oleomargarine and retail sales of any commodity, and except."

(3) By further amending section 406 by inserting a comma in lieu of the period at the end of subsection (b) and adding the following: "or in any case where the Secretary determines it to be in the public interest for the Federal Trade Commission to institute a proceeding under this act, in which case the Commission shall have authority to exercise in connection therewith all the powers, functions, and authority of the Secretary under this act, and the Secretary's determination in such instance shall be final."

SEC. 2. Said act is further amended—

(1) by striking out the words "at a stockyard" from sections 301 (c) and 301 (d);

(2) by striking out the last sentence of section 302 (a);

(3) by inserting after the first sentence in section 303 the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the act may be required to register in such manner as the Secretary may prescribe.";

(4) by amending section 311 by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer" and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers"; and

(5) by striking out the words "at a stockyard" from section 312 (a).

SEC. 3. Subsection 6 of section 5 (a) of the Federal Trade Commission Act (15 U. S. C. 45 (a) (6)) is amended by striking out "persons, partnerships or corporations subject to the Packers and Stockyards Act, 1921, except as provided in section 406 (b) of said act", and substituting therefor the following: "matters made subject to the Packers and Stockyards Act, 1921, as amended, except as provided in section 406 (b) of said act."

Mr. MURRAY. Mr. President, will the Senator from Wyoming yield 5 minutes to me on the bill?

Mr. O'MAHONEY. Mr. President, I yield 5 minutes to the Senator from Montana on the bill.

Mr. MURRAY. Mr. President, both the production of livestock and meat packing are important industries in Montana, so I have a major interest in the bill now before the Senate.

S. 1356 will, in my opinion, be of material help to the producer. Specifically, the Carroll-Young amendment, which has been accepted as a part of S. 1356 as it is now before the Senate, provides the livestock producer much greater protection from unfair and discriminatory practices than he now has under the Packers and Stockyards Act. Title II of the Packers and Stockyards Act transfers jurisdiction over unfair trade practices in the sale and distribution of meat and meat food products from the Federal Trade Commission and places it exclusively under the jurisdiction of the Secretary of Agriculture. This has had the practical effect of not only exempting this important industry from the antitrust laws, but also providing an exemption for giant chain stores and other businesses which invested in small pack-

ing operations. S. 1356 would correct this legislative error.

Those who drafted the Packers and Stockyards Act drew a very broad definition of who were to be considered packers and thereby subject to regulation by the Department of Agriculture. Under this definition, a company owning 20 percent of the voting power or control of a packing business was a packer. A Federal court held in 1940, in the case of United Corporation against Federal Trade Commission, that a company engaged in the marketing of canned meat products and which, after an FTC complaint charging misleading advertising practices was issued, acquired a packing plant was not subject to FTC jurisdiction because it thereby qualified as a packer under the Packers and Stockyards Act. Because of this judicial precedent, the Federal Trade Commission has been forced to rule in the same way. The Carnation Milk Co. was removed from FTC jurisdiction when it acquired a small meatpacking operation. Wilson & Co.'s sporting goods was declared not subject to regulation by the Commission because it was classified as a packer. A complaint involving Armour & Co.'s advertising representations concerning its oleomargarine was dismissed for the same reason. A number of other complaints have met with a similar fate.

In a very recent case, Federal Trade Commission against Food Fair, a grocery chain, the chain avoided FTC action by showing it was in the packing business. The fact that the packing plant did only a \$25 million annual business as compared with the Food Fair overall total of \$475 million had no bearing on the matter, it was argued. The examiner upheld this argument and ruled that the Federal Trade Commission had no power to act.

Finally, on April 17, 1958, only last month, Examiner Hier, of the FTC, in the case of Giant Food Shopping Center, Inc., ruled that the purchase 100 shares of Armour & Co. stock by a large chain-store brought the grocery chain within the definition of a packer under the Packers and Stockyards Act, and removed the company from FTC jurisdiction. It is obvious that if this interpretation is upheld, any business, regardless of its primary interest, can escape FTC jurisdiction at will by establishing a little packing subsidiary, or buying stock in one that already exists. Under such circumstances, of what use will the FTC be?

Among other questions, one interesting point this decision raises is whether a company which has removed itself from FTC jurisdiction by the simple expedient of purchasing a stock interest in a packing plant may likewise remove itself thereafter from the jurisdiction of the Secretary of Agriculture by selling the same stock when the Secretary commences proceedings against it. Could this company by the process of buying and selling stock frustrate all efforts by all agencies to make it conform to the laws designed to prevent unfair trade practices?

I have also in mind the possibility that the Federal court may grant the motion by the three large packers, now subject to a 1920 consent decree, that they be

allowed to go into the grocery business. If this should occur, they undoubtedly would do so and might quickly become grocery chains in themselves. Since they are clearly packers under the Packers and Stockyards Act, their activities as chain groceries would not be subject to Federal Trade Commission jurisdiction under the Food Fair decision. S. 1356 would correct this condition.

Another thing to keep in mind is the cost to the taxpayer of any sincere and honest attempt by the Department of Agriculture to enforce all of the unfair-trade-practice provisions of the Packers and Stockyards Act as it is presently written. The Federal Trade Commission has a staff of 720 persons and a budget of more than \$4 million which is devoted to just this sort of regulation in much of the rest of American industry. It would take a very large staff and a not inconsiderable appropriation for the Department of Agriculture to enforce all of these provisions properly against the meat-packing industry.

It is my belief that transactions involving the live-animal or live-poultry business are best regulated by the Department of Agriculture. I want to reiterate, for purposes of absolute clarity, that S. 1356 as it is at present before us would take nothing in this area of commerce away from the Secretary's jurisdiction. The definition of stockyards has been broadened. The Secretary is given jurisdiction over certain livestock transactions at the point of sale, regardless of whether it occurs in the stockyard or in the producer's barnyard. Also, he can require persons operating off the stockyard to register in such manner as the Secretary may prescribe. These measures should materially help the livestock raisers.

If we are determined to secure effective and realistic antitrust enforcement, S. 1356 is, in my opinion, the most desirable way to do it. We must not permit ourselves to continue to provide a haven from surveillance for all those who, for selfish reasons, may desire to be exempt from Federal Trade Commission jurisdiction.

I thank the Senator from Wyoming.

The PRESIDING OFFICER. The Chair announces that the Senator from Illinois has 44 minutes remaining on the bill, and that the Senator from Wyoming has 37 minutes remaining on the bill.

The substitute offered by the Senator from Illinois is now pending. Thirty minutes has been allotted to each amendment, 15 minutes to be controlled by each side.

Mr. O'MAHONEY. Mr. President, I yield 15 minutes to the Senator from Utah on the amendment.

Mr. WATKINS. Mr. President, the proposal now before us was not discussed by the Judiciary Committee. It was not proposed by any witness to the subcommittee, including the AMI and the USDA, both of which originally supported the May 20, 1957, Dirksen amendment. It should be rejected by all means.

While it represents somewhat of an improvement over the original Dirksen amendment, which a minority of the

Judiciary Committee felt would be adequate, it still does not afford the public adequate protection as does S. 1356, since S. 1356 requires that all wholesaling activities of packers—not merely those involving nonmeat food and nonfood products, but also their meat and poultry products—be made subject to the jurisdiction of the FTC. Contrasted with this proposal now before us, S. 1356 provides the protection the public interest warrants and requires, but which it has not had for 37 years.

Mr. President, effective administration of laws to prevent unfair competition in the meatpacking business can only be achieved if there is an adequate law, an adequate staff of investigators, economists, marketing specialists, and lawyers, who are capable of gathering evidence that will stand up in court, and a real desire to enforce the law.

Because the amendment does not meet these requirements, it should be rejected by the Senate. Let us examine the amendment in light of these three criteria.

The amendment will not provide an adequate law; S. 1356 does provide one.

The amendment would leave under the jurisdiction of the USDA authority to regulate the wholesaling trade practices of meat packers in connection with meat, meat food products, livestock products, poultry and poultry products, and eggs. The evidence presented to the Judiciary and Agriculture Committees indicate that merchandising activities in connection with these products, as well as with respect to nonmeat food and nonfood products, should be subject to regulation by the FTC.

Here are the facts upon which this contention is based:

First, the amendment provides for divided jurisdiction between the USDA and the FTC over the merchandising or wholesaling trade practices of meat packers.

Although the amendment would return to the Federal Trade Commission, jurisdiction over the wholesaling activities of a packer in connection with nonmeat food and nonfood products, it would permit the United States Department of Agriculture to continue to exercise exclusive jurisdiction over wholesaling of meat and poultry products by a packer, as defined by the Packers and Stockyards Act. With the Holland amendment, if it were adopted, there will be concurrent jurisdiction in these fields between the Federal Trade Commission and the Department of Agriculture.

It seems absurd to have two agencies; one, the Federal Trade Commission, established by Congress to regulate trade practices in interstate commerce, and one, the Livestock Division of the United States Department of Agriculture's Agricultural Marketing Service, which is not an enforcement agency, regulate the trade practices of meatpackers with jurisdiction depending upon the products sold. This, on the face of the matter, is duplication of the worst sort and ought to be prevented, since it violates sound principles of organization and can only result in confusion and ineffective over-all regulation.

Why, for example, should the wholesaling of meat by firms such as Swift, Armour, Wilson, Cudahy, and others, be regulated by the United States Department of Agriculture, and their wholesaling activities in connection with cheese, canned milk, vegetable soup, glue, ice cream, canned baby foods, salad oils, confectionery products, and so forth, be under the jurisdiction of the Federal Trade Commission?

Why should nonpacker firms which wholesale meats, meat food products, poultry, poultry products, or eggs, be under the jurisdiction and more effective regulation of the Federal Trade Commission, while their packer competitors, many of whom qualify under the Packers and Stockyards Act as packers by acquiring a 20 percent interest in a packing plant, be permitted to enjoy an atmosphere of relative nonenforcement, which for 37 years has characterized United States Department of Agriculture administration of the merchandising provisions of title II of the Packers and Stockyard Act?

I may say again, for the benefit of Senators who are not in the Chamber, that it was admitted outright by representatives of the Department of Agriculture that for 37 years title II had not been enforced by the Department. There cannot be any argument about that, because the persons who are best informed are those who are enforcing the act, and they admitted frankly that title II had not been enforced.

Where is the equity in the sort of administrative arrangement which this amendment would perpetuate?

Division of jurisdiction also would create numerous practical problems. For example, the wholesaling of tomato soup by Campbell Soup Co., a meatpacker under the law, would be subject to the jurisdiction of the FTC; but which agency would have jurisdiction over the wholesaling of Campbell's chicken noodle soup? Is chicken noodle soup a soup or a poultry product?

Suppose a packer ships in interstate commerce a mixed carload composed of meat products and nonmeat food products to a customer. If it were charged by a nonpacker competitor that an unfair trade practice was involved in the transaction to which agency would he take his complaint? To the FTC or the USDA?

Suppose the USDA did begin to enforce title II of the Packers and Stockyards Act, if this amendment were enacted. Think of the bureaucratic duplication which would result. Two agencies, operating under two different laws trying to prevent unfair wholesaling trade practices which fall short of Sherman Act violations, on the part of the same firm, but with respect to different products which the firm sells.

The USDA for 37 years has not exhibited any real intention of preventing unfair trade practices by meatpackers in the wholesaling of meats, meat food products, poultry, poultry products, eggs, nonmeat food products and nonfood products. During this period of 3½ decades, that Department has issued exactly 9 cease and desist orders against

packers for engaging in unfair trade practices in the wholesaling of meat and meat food products. Except for one issued in December 1957, the last one before that was issued in 1938—20 years ago. By docket number, those 9 cease and desist orders are identified as follows: No. 418—1933, No. 419—1933, No. 420—1933, No. 440—1936, No. 476—1938, No. 470—1935, No. 477—1938, No. 580—1938, and No. 2272—1957. In light of this paucity of cease and desist orders, when coupled with no real effort by the USDA to acquire an enforcement staff, how can any one seriously propose this amendment as a means of providing effective prevention of unfair trade practices by packers in the wholesaling of meat and poultry products?

I cannot understand why the big packers, represented by the American Meat Institute, are the principal opponents of this measure, if they have nothing to fear. If they are already subject to effective enforcement—which is all they would be subjected to under the provisions of this bill—why should they be opposed to the bill?

By comparison, the Federal Trade Commission has issued some 5,000 cease and desist orders to business firms—which cannot qualify as packers and thus escape that agency's jurisdiction—for engaging in unfair trade practices. Based upon this record of comparative enforcement, it is not difficult to see why the big packers are supporting the amendment now before us, since with respect to the products which provide the bulk of their sales, their wholesaling practices remain subject to the USDA's exclusive jurisdiction.

On the other hand, the great majority of the food-industry spokesmen who testified before the Antitrust and Monopoly Subcommittee filed statements with the subcommittee, or have indicated their feelings more recently on this matter, have urged that Senate bill 1356 be enacted. Why? Because it would give the FTC jurisdiction with respect to the wholesaling or merchandising activities of all firms in the food industry regardless of the products sold in interstate commerce. In a few words, Senate bill 1356 would subject all firms to one law—one set of trade-practice standards, administered by one agency which has no responsibility except law enforcement.

This group includes the following national organizations:

- National Federation of Independent Business, Inc.
- National Association of Retail Grocers.
- United States Wholesale Grocers Association.
- National Food Brokers Association.
- National Retail Dry Goods Association.
- National Fisheries Institute.
- Cooperative League of the United States.
- National Renderers Association.
- National American Wholesale Grocers Association.
- National Candy Wholesalers Association, Inc.
- National Preservers Association.
- Cooperative Food Distributors of America.

I may say that in my own State, the Cattlemen's Association favors the enactment of Senate bill 1356; and the Wool Growers Association, the State Farm Bureau, and the Farmers Union also favor the enactment of this bill. All the farm groups in my State favor the enactment of this measure. Their endorsement has some significance, because they are the ones who produce these products and who believe there have been unfair trade practices, and that the Department of Agriculture has not taken care of the situation as it should have done.

I say very frankly that this is not an undue criticism of Secretary Benson. The people of my State have the highest regard for him and for his purposes with respect to agriculture. In the main, they support him; I was going to say they support him nearly 100 percent.

But in this case they cannot see eye to eye with his Department, and its position that it should not surrender jurisdiction, or that at least there should not be concurrent jurisdiction with the Federal Trade Commission, over the large packers.

The only group that does not engage in the retail business is the group that is subject to the consent decree—the group composed of the Swift, Armour, Cudahy, and Wilson companies. I think they are the ones that are subject to it. They are the principal ones that will be left unregulated if the Dirksen amendment is adopted.

The firms which many of these trade associations represent must compete with meatpackers in the wholesale and merchandising of meat, meat food products, poultry, and poultry products. They deem it grossly unfair for them to be subject to a rigidly enforced set of trade-practice rules by the FTC in selling these products, while any firm which owns even a 20 percent interest in a meatpacking firm would be subject to the Packers and Stockyards Act and would be able to enjoy a scope of freedom which nonenforcement by the USDA of a regulatory statute makes possible.

Do the big packers and the AMI, their lobbyist, appreciate this situation? Do they know a good thing when they see it? Certainly they do; and they intend to keep all of it for themselves, if they can.

Consider the following statement made by Mr. J. M. Foster, an AMI official, to the 1956 AMI convention membership:

Certainly, the problems of the industry and those of agriculture generally will not receive as sympathetic treatment from the FTC as we have come to expect from the Department of Agriculture. It looks as though we have a fight on our hands, and you can bet that the Institute is going to pursue this one through to the limit of our abilities. (The National Provisioner, Oct. 13, 1956, p. 192.)

Sympathetic treatment apparently is equated with nonenforcement; and that goal is to be pursued by the big packers, through the AMI, to the limit of their abilities. Thus their support of the amendment under debate.

Mr. President, House bill 9020 is detrimental to producers and consumers. Livestock producers probably can expect to receive lower prices than otherwise would prevail, if the FTC is not given jurisdiction over trade practices in connection with the wholesaling of meats, meat products, and so forth, as well as other products, that is to say, over the long pull. There may be periods and times, as at present, when prices will go up. But in the long run of operations in the future, in my humble opinion, as one who used to be engaged somewhat in the livestock business, it will be far better for this industry to have the markets for meat and meat products stabilized under fair-trade practices; then they will be far better off than they would be under the situation which exists at this time.

There are times when the market runs away in one direction, and at other times it runs away in another direction. But the present tendency, because of nonenforcement of title II, unfair trade practices must be brought under control—and that is why the western meat packers are complaining—is gradually to eliminate some of the competitors in this business.

For this reason also, it is not unlikely that consumers, who now spend nearly 7 percent of their incomes for these products, can expect to pay higher prices than otherwise would prevail if the FTC is not given at least concurrent jurisdiction.

With the continued increase in the price spread between what producers get, and what consumers pay, there is need for effective regulation which will eliminate any of that spread due to packer unfair trade practices, which, in turn, may eliminate their competitors, and thus may give a smaller number of firms more control over the prices packers pay for live animals and the prices they charge for meat and meat food products. The law of supply and demand must be permitted to operate. This is the objective of the antitrust laws, and this is the goal of enforcement agencies.

It is not unlikely that failure by the USDA to enforce title II of the Packers and Stockyards Act has resulted in increased concentration in the meatpacking industry.

I told the House Agriculture Committee, when I appeared in opposition to House bill 9020, which in substance is identical to the amendment now before us, that:

By contrast with several million livestock producers on the sellers side of the market, we find on the buyers side only a few hundred meat packers operating in interstate commerce and thus subject to Federal meat inspection.

Mr. President, in connection with my use of the words "several million livestock producers," I wish to call attention to the fact that the livestock producers are no longer confined to the Western States; at the present time, practically every State of the Union has within its borders persons who are engaged in the production of livestock. It would seem that the livestock producers have moved east, and now are to

be found in every State in the Union. I must admit that I am somewhat surprised to see so many of the producers located in the Eastern and Southern States, including the States along the Atlantic coast. That development shows that every one of the States in the Union, or practically every one, is now vitally interested in this matter.

I read further from my testimony before the House Committee on Agriculture:

But, whatever implied favorable implications the existence of a few hundred such packers has of competitive bidding, they are considerably reduced and brought into proper perspective by this fact: 10 national packers slaughter approximately 50 percent of the cattle, 66 percent of the calves, 70 percent of the hogs—

No matter how many hundreds the small packers are said to slaughter—and 77 percent of the sheep and lambs coming under Federal meat inspection.

Even when total commercial slaughter figures are used, it is evident that a few firms are developing stronger market dominance. Contrary to the data contained in the April 4, 1957, report of the USDA on the administration of the Packers and Stockyards Act, the percent of total commercial slaughter of several species by the big 4 and 15 packers is on the increase. Information supplied me under date of April 15, 1957, by Assistant Secretary Butz, supplemental to this report, indicates that the percent of total commercial slaughter of hogs, which provide farmers 10 percent of their incomes, by the big 4 overall packers increased 2 percent from 1953 to 1955. In 1953, they slaughtered 39 percent of the hogs; in 1955, 41 percent, although the table on page 11 of that report had indicated a decline of 1 percent during the period 1953–55.

And instead of the big 4 slaughtering 58 percent of the sheep and lambs in 1955 as shown in the table on page 11 also, this letter from Secretary Butz reveals that they actually slaughtered 59 percent—a 1 percent increase over that indicated in the table. The table on page 12 of this report indicates that the biggest 15 firms slaughtered a larger percentage of the total commercial slaughter of calves and hogs in 1955 than they did in 1950.

So whether we view it from the standpoint of federally inspected slaughter or total commercial slaughter, it seems that at least for some major species, market domination by a few firms continues to grow.

How much of the price spread on meat and related products is due to increased concentration is not known. But it seems reasonable to assume, based upon 37 years of USDA nonenforcement, that adequate steps will not be taken to prevent unfair trade practices which have led to the present degree of concentration and control over prices by a few packers, until such authority is returned to the FTC.

The same concern has been expressed by the following producer and consumer organizations, which have indicated support of legislation which would give the FTC at least concurrent jurisdiction over trade practices of packers involving the wholesaling of meat and meat products, as well as nonmeat food and nonfood products:

Farm organizations: National Milk Producers Federation, Nevada Farm Bureau Federation, National Wool Growers Association, Utah Farm Bureau Federation, National Farmers Union, Utah

Farmers Union, American National Livestock Auction Association, National Farmers Organization, River Markets Livestock Group, Montana Cattlemen's Association, Wyoming Stock Growers Association, Iowa Swine Producers Association, Georgia Dairy Association, Idaho Wool Growers Association, Pure Milk Association, Utah Wool Growers Association, Utah Cattle Growers Association, and Wyoming Wool Growers Association.

Consumers: Cooperative League of the United States.

USDA HAS NOT BEEN CAPABLE OF EFFECTIVE PREVENTION OF UNFAIR TRADE PRACTICES BY PACKERS; FTC IS CAPABLE OF PROVIDING SUCH ENFORCEMENT

Responsibility for prevention of unfair trade practices by meatpackers until recently, not only under title II, but under title III, as well, here in Washington, D. C., was vested in the Trade Practices Section of the Packers and Stockyards Branch of the Livestock Division of the Agricultural Marketing Service. A separate and specialized regulatory agency for the administration of the Packers and Stockyards Act has long since been dispensed with. This Trade Practice Section was staffed by two marketing specialists and a stenographer at the time when Senate bill 1356 was introduced.

Not even one of these two marketing specialists, who now comprise the Packer Section, as it is now called, or a single employee in any of the 20 understaffed field offices maintained by the Packers and Stockyards Branch, is engaged full-time in title II enforcement as concerns packer wholesaling trade practices. A review of the USDA's April 4, 1957, self-appraisal report on the Packers and Stockyards Act administration indicates that the great bulk of the work of this section and of the work of the Packers and Stockyards Branch itself—nearly 90 percent—is spent in posting and regulating stockyards under title III. It appears evident that whatever title II enforcement is carried out with respect to the wholesaling trade practice provisions of that title is incidental to the title III work of the Packers and Stockyards Branch.

The PRESIDING OFFICER. The time yielded to the Senator from Utah has expired.

Mr. O'MAHONEY. Mr. President, all time under my control on the amendment has been used.

Let me ask whether the Senator from Utah requires some time on the bill.

Mr. WATKINS. I should like probably 2 minutes more.

Mr. O'MAHONEY. Mr. President, I yield the Senator from Utah 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. WATKINS. Effective regulation precludes utilizing divided jurisdiction based on products sold in enforcement work. In 1921, when our predecessors were debating passage of the Packers and Stockyards Act, this very point was raised by Senator Norris, in connection with an amendment which would have divided jurisdiction between FTC and the USDA on the basis of products sold,

as in the present instance. I am not talking about concurrent jurisdiction; I am talking about jurisdiction being divided on the basis of products sold.

Here today, some 36 years later, his words of counsel are just as appropriate. He stated on that occasion:

I appeal to Senators; you may be against this bill, you may not want any investigation, you may not want anything done with these packers, or with any business that is allied with them; but you must admit that, if you do want it done, you want it done right, and it would be perfectly foolish, it seems to me, to give the Federal Trade Commission * * * authority to investigate part of these products clear through to the end, and authority for other products only part way, or authority for part of the products under one law, going in this direction, and authority to investigate the byproducts which are in use for food going in the other direction (CONGRESSIONAL RECORD, June 17, 1921, p. 2702).

I can only echo his words: The right way to do it, if it is to be done at all, and I believe it should be done, is to pass S. 1356 with the Agriculture Committee amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WATKINS. May I have an additional one-half minute?

Mr. O'MAHONEY. I yield one-half minute to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for one-half minute.

Mr. WATKINS. No meatpacker, be it a large or a small one, has anything to fear if S. 1356 is enacted, unless its present wholesaling trade practices do not conform to the norms of fair business conduct contained in the FTC Act. If they do not so conform, they should be stopped. Return of this authority to the FTC, as provided by S. 1356, with the Holland amendment, will insure this desirable result.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, about the only rejoinder I should like to make to my esteemed friend from Utah [Mr. WATKINS], is with respect to whether there have been laches and lack of aggressive effort on the part of the Department of Agriculture with respect to enforcement.

In the course of the hearing before the Senate Committee on Agriculture and Forestry, the Senator from Florida [Mr. HOLLAND] made some inquiry with respect to first, the number of requests for investigation under section 406 of the act, addressed to the Federal Trade Commission by the Department; second, a statement of administrative proceedings prosecuted by the Department; and third, the number of cases referred to the Department of Justice.

I am concerned only with item 2, since it is directly responsive to the observation made by the Senator from Utah.

The Department did respond, Mr. President, and there appears, on pages 13, 14, and 15 of the hearings before the Committee on Agriculture and Forestry, a list of formal administrative cases under title II of the Packers and Stockyards Act. They are docketed cases and,

insofar as I can tell, there must be at least 100 or more.

Mr. President, I have prepared a brief statement on the record of the Department of Agriculture in its enforcement program of the Packers and Stockyards Act and other material that will be of significance in the debate on the packers and stockyards bill, known as S. 1356 and amendments. I ask unanimous consent that this statement may be placed in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

The Senate will begin discussion on the amendments to the Packers and Stockyards Act in S. 1356, known as the O'Mahoney-Watkins bill and the Dirksen amendment to S. 1356, which is comparable to the Cooley bill on the House side, which is known as H. R. 9020. This statement will refer primarily to the enforcement record of the Department of Agriculture and bringing in a few instances of Federal Trade Commission enforcement.

The proponents of S. 1356, the O'Mahoney-Watkins bill, have made much to do of the fact, as stated on page 7 of their majority report to the Senate report No. 704, as follows: "Few cease-and-desist orders under title II have been issued against companies in the meatpacking industry." However, let us look at the record which was submitted to the joint hearing before the Committee on Agriculture and Forestry and the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary of the United States Senate when the Senator from Florida [Mr. HOLLAND] said:

"I have asked for a list of referrals for prosecution under the antitrust laws and under title II, so we'll have a clear picture of any requests from the Department of Agriculture to the Department of Justice in this field."

This request came as a result of the statement of the Senator from Utah [Mr. WATKINS] that:

"We have been advised that there have never been any requests from the Department of Agriculture to the Department of Justice in this field."

The request of the Senator from Florida [Mr. HOLLAND] was made to Mr. Charles W. Bucy, Assistant General Counsel, Department of Agriculture, and his statement and list of formal administrative cases under the Packers and Stockyards Act are as follows:

UNITED STATES DEPARTMENT OF
AGRICULTURE,
OFFICE OF THE COUNSEL,
Washington, D. C., April 18, 1958.

Hon. SPESSARD L. HOLLAND,
United States Senate.

DEAR SENATOR HOLLAND: As chairman of the joint executive session of the Committees on the Judiciary and Agriculture and Forestry on April 17, 1958, to consider S. 1356, you requested that there be furnished for the record certain information as follows: (1) The number of requests for investigation under section 406 of the Packers and Stockyards Act, 1921, addressed to the Federal Trade Commission by the Department of Agriculture; (2) a statement of administrative proceedings prosecuted by the Department of Agriculture against packers under title II of the act since its enactment; and (3) the number of cases referred to the Department of Justice for action involving trade or monopolistic practices of packers covered by title II of the act.

With respect to item (1), the records of the Department disclose no requests for investigation under section 406 having been made of the Federal Trade Commission.

With respect to item (2), there is enclosed a tabulation of the formal administrative proceedings instituted under title II of the act, indicating the nature of violation involved and the disposition and date thereof.

With respect to item (3), because of the period covered, 1921 to 1958, full and complete records are not available covering the field of this request. Such examination of accessible records as the limited time available has permitted discloses no requests to the Department of Justice for the institution of action under section 205 of the act for a violation of a cease-and-desist order by a packer. The record examination referred to covers the period from 1940 to date.

On August 12, 1937, the Department instituted BAI Docket No. 909, an administrative proceeding under title II of the Packers and Stockyards Act against Armour & Co., the Cudahy Packing Co., Swift & Co., Wilson & Co., Fort Worth Poultry & Egg Co., Western Produce Co., and the Amarillo Poultry & Egg Co., involving charges that they engaged in a course of business and did acts for the purpose, or with the effect, of manipulating or controlling prices at which packer products were purchased in commerce, and of creating a monopoly in the acquisition of, buying, selling, and dealing in packer products and of restraining commerce.

On May 10, 1939, in the course of this proceeding and after a number of hearings had been held, the Department wrote the Attorney General requesting that the Federal Bureau of Investigation be directed to investigate certain alleged violations of the Packers and Stockyards Act, 1921, involved in the proceeding, with particular reference to the poultry aspect of the proceeding. Thereafter, the Department turned over to the Department of Justice copies of the transcripts and records relating to the proceeding.

On October 9, 1940, Robert H. Jackson, the then Attorney General, wrote to the Secretary of Agriculture as follows:

"The Antitrust Division of the Department of Justice is undertaking a comprehensive investigation of possible restraints of trade in the food industries. Your cooperation in furnishing this Department with possible leads for investigatory purposes will be very much appreciated.

"Among other things, it is the purpose of this Department to ascertain what, if any, restraints of trade may exist in the meatpacking industry from stockraiser to consumer, and, for this purpose, access to such material as may have been developed by the Department of Agriculture upon this subject is desired.

"Particular reference is made to your Docket No. 909-A which, it is understood, contains testimony relative to current practices in the meatpacking industry. An opportunity to review Docket 909-A with its testimony and exhibits is requested. It would be preferable if a copy of this material could be made available for use at the Department of Justice. If not, representatives of this Department will examine the docket at the Department of Agriculture."

After receipt of the foregoing letter, the Department of Agriculture furnished the Department of Justice with copies of all the transcripts and exhibits in BAI Docket No. 909 and 909-A, together with such other information as the Department had. Thereafter, in 1941, the Department of Justice obtained a number of indictments involving the so-called Big Four packers, as well as a substantial number of other packers, individuals, and trade associations.

Thereafter, on February 15, 1949, the indictments were dismissed in view of the filing of a civil action involving the same practices. This action was instituted on September 15, 1948, and on the Government's motion dismissed without prejudice on March 17, 1954.

The details with respect to the indictments referred to, as well as the civil action, are set forth in the list of antitrust cases instituted against companies in the meatpacking business by the Department of Justice furnished with Assistant Attorney General Victor R. Hansen's letter of May 29, 1957, addressed to Senator O'Mahoney as chairman of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary. This letter and list are printed on pages 102 to 105 of the record of the joint hearings of the subcommittees of the Committees on the Judiciary and Interstate and Foreign Commerce of the House of Representatives on H. R. 5282 and other bills dealing with the transfer of jurisdiction to the Federal Trade Commission from the Department of Agriculture.

In the light of the breadth and scope of the investigation instituted by the Department of Justice, and the court actions instituted and pending from 1941 to 1954 in the broad field of monopolistic trade practices by packers, naturally the Department was reluctant to engage in activities which would have at least duplicated and could be anticipated to conflict with or impair the extensive activities being conducted by the Department of Justice during this period.

It is our understanding that the committee's interest was limited to cases involving monopolistic trade practices of packers and we have not, therefore, dealt with the substantial number of criminal and civil cases referred to the Department of Justice by this Department relating to other aspects of the regulatory program under the Packers and Stockyards Act.

It is hoped that the foregoing furnishes the information required; however, if any further information is needed, we will be pleased to furnish it upon request.

Sincerely yours,

CHARLES W. BUCY,
Assistant General Counsel.

[Enclosure.]

"LIST OF FORMAL ADMINISTRATIVE CASES UNDER TITLE II OF THE PACKERS AND STOCKYARDS ACT

"Docket No. 1, *Kansas City Live Stock Exchange v. Armour & Co. and Fowler Packing Co.*;

"Complaint: That Fowler Packing Co., a subsidiary of Armour & Co., in the conduct of the Mistletoe Stock Yards, prevented its shippers from invading the localities and territories of other shippers; and that it gave certain privileges to some shippers which were denied to others.

"Disposition: Order entered after hearing requiring respondents to cease and desist from (1) preventing or forbidding any shipper from engaging in competition with any other shipper in buying hogs in their respective territories or localities, and (2) denying a corn fill at its stockyards to hogs of any of its shippers while furnishing such fill to the hogs of other shippers.

"Docket No. 19, *In re Armour & Company of Illinois, Armour & Company of Delaware, J. Ogden Armour, and Morris & Co.*;

"Complaint: That acquisition of assets of Morris & Co. by Armour & Co. had tendency or effect of restraining commerce or creating monopoly; and that acquisition was for purposes of manipulating or controlling prices in the buying of livestock and the sale and distribution of the products thereof in commerce or of creating or tending to create a monopoly therein.

"Disposition: After extensive hearings (79 days) the complaint was dismissed. The Secretary concluded that: (1) The purchase by one competitor of the physical properties, business, and goodwill of another competitor does not constitute, in and of itself, a violation of the act; (2) the evidence did not show that the acquisition was for the purpose of manipulating or controlling prices; and

(3) that the undisputed evidence showed that competition on the whole in the sale of meat and meat food products in commerce had not been diminished (September 14, 1925).

"Docket No. 133, *In re Armour & Company of Illinois, Armour & Company of Delaware, North American Provision Co., and Swift & Co.*:"

"Complaint: That respondents refused to do business with, or to purchase hogs handled by, any traders at the Union Stock Yards, Chicago, Ill.; and that such practice was unfair and unjustly discriminatory and was done for the purpose or with the effect of creating a monopoly in the acquisition and buying of hogs in commerce, or of restraining such commerce.

"Disposition: Prior to hearing, representatives of respondents and the complaining traders met before the examiner and respondents stated on the record that they would thereafter purchase hogs at the Chicago stockyard on their merits. Upon the basis of the representations made by respondents, the complaint was dismissed (January 22, 1925).

"Docket No. 152, *Secretary of Agriculture v. Chicago Packing Co.*:"

"Complaint: That respondent had contract with the Chicago Livestock Exchange to slaughter certain livestock and to place and keep the dressed carcasses of the livestock so slaughtered in coolers upon respondent's premises exposed for sale and competitive bidding by prospective purchasers; that respondent withdrew from its coolers certain carcasses of the livestock in order that respondents could obtain the carcasses after competitive bidding and ceased; and that respondent substituted certain carcasses of inferior grade and quality for carcasses of superior grade and quality.

"Disposition: Order entered dismissing proceeding upon grounds that respondent and certain of its officers were indicted under provisions of United States Penal Code, that certain of respondent's officers pleaded guilty and were sentenced, and that respondent was no longer engaged in preparing meats and meat food products for sale and shipment in interstate commerce (December 27, 1927).

"Docket No. 185, *Secretary of Agriculture v. Sunlight Produce Company of Sioux City, Iowa, and Cudahy Packing Company of Chicago, Ill.*:"

"Complaint: That respondents attempted to injure and destroy the business of a competitor.

"Disposition: Proceeding dismissed without hearing (June 15, 1927).

"Docket No. 269, *Secretary of Agriculture v. Geo. A. Hormel & Company of Austin, Minn., and Rath Packing Company of Waterloo, Iowa*:"

"Complaint: That respondents had agreement, arrangement, and combination to apportion territory for carrying on business of purchasing swine in commerce.

"Disposition: Complaint dismissed after hearing upon finding and conclusion that there was no arrangement, agreement, or combination between respondents as alleged (April 28, 1928).

"Docket No. 289, *Secretary of Agriculture v. Syracuse Rendering Company of Eastwood, N. Y., and Consolidated Rendering Company of Boston, Mass.*:"

"Complaint: That respondents had engaged in certain practices for purpose or with the effect of manipulating and controlling prices in commerce.

"Disposition: Order entered dismissing the proceeding. The order stated that 'it now appears to the Secretary of Agriculture that there is no apparent reason for continuing the proceeding' (June 3, 1933).

"Docket No. 294, *Secretary of Agriculture v. Leo Schloss, Inc.*:"

"Complaint: That respondent made misrepresentations in connection with its billings to certain purchasers.

"Disposition: The case was continued indefinitely at the request of the complaining witness, and on December 15, 1930, the complaint was dismissed.

"Docket No. 418, *Secretary of Agriculture v. Wilmington Provision Co., Inc.*:"

"Complaint: That respondent made and gave an undue and unreasonable preference or advantage to the Great Atlantic & Pacific Tea Co., in that respondent paid, remitted, and refunded to the company an amount of money equal to 1 percent of the purchase price of certain products sold to the company by remitting such amount to an employee of the company knowing that such amount would be paid over to the company; that the 1 percent 'brokerage' fee had not been paid by respondent to any other purchaser; and that respondent conspired and agreed with the Great Atlantic & Pacific Tea Co. to give an undue and unreasonable preference or advantage to the company.

"Disposition: Order entered after hearing requiring respondent to cease and desist from directly or indirectly remitting or refunding brokerage fees to any buyer of meat and meat food products while respondent is at the same time paying brokerage fees on sales to other buyers without directly or directly returning such fees to them (October 25, 1933).

"Docket No. 419, *Secretary of Agriculture v. Trunz Pork Stores, Inc.*:"

"Complaint: Same as docket No. 418.

"Disposition: Same as docket No. 418.

"Docket No. 420, *Secretary of Agriculture v. John J. Felin Co., Inc.*:"

"Complaint: Same as docket No. 418.

"Disposition: Same as docket No. 418.

"Docket No. 440, *Secretary of Agriculture v. Armour & Company, Abraham Packing Company, The Cudahy Packing Company, Jacob Dold Packing Company, John Morrell & Company, Memphis Packing Company, Swift & Company, Wilson & Company, Morris & Company, St. Louis Independent Packing Company, George A. Hormel & Company, and Birmingham Packing Company*:"

"Complaint: That respondents gave to each other, and to other packers and various wholesalers, jobbers, and distributors of meat and meat food products, information relative to prices at which respondents proposed to sell meat and meat food products in commerce; that such exchange of information was for the purpose or with the effect of giving certain persons and localities undue preferences and advantages in commerce; that respondents engaged in a course of business for purpose and with effect of manipulating and controlling prices in commerce and of creating a monopoly in the selling or dealing in certain meats and meat food products in commerce; and that respondents combined, conspired, agreed, and arranged between themselves to apportion sales of meat and meat food products in commerce.

"Disposition: Order entered after hearings requiring respondents, except the St. Louis Independent Packing Co., jointly and severally, to cease and desist from: (1) agreeing with competitors upon prices at which meats and meat food products shall be sold, and furnishing information relative thereto to competitors; (2) giving an undue and unreasonable preference or advantage to a particular person or persons or to a locality or localities in the sale of meats in commerce; and (3) combining, conspiring, agreeing, and arranging among themselves to make or give in commerce any undue or unreasonable preference or advantage to any particular person or locality, or to engage in a course of conduct for the purpose or with the effect of manipulating or controlling prices in commerce or of restraining commerce. It was further ordered that respondents Armour & Co., Wilson & Co., George A. Hormel & Co.,

Swift & Co., and Birmingham Packing Co. cease and desist from conspiring, combining, agreeing, and arranging with other persons or between themselves to apportion sales of meat and meat food products in commerce (March 30, 1936).

"Docket No. 470, *Secretary of Agriculture v. Levy Meat Co.*:"

"Complaint: That respondent in connection with the sealing in interstate commerce of meat, meat products, poultry, and poultry products substituted ungraded and inferior poultry and meat for officially graded poultry and meat, and substituted the word 'choice' for the word 'good' on meat and meat food products which had been stamped by an authorized meat grader.

"Disposition: Respondent admitted the facts alleged in the complaint and waived oral hearing. An order was entered requiring respondent to cease and desist from: (1) representing that any meat, meat food products, poultry, poultry products, or eggs sold or offered for sale by it had been graded and stamped by an official inspector or grader when the same had not been so graded and stamped; (2) substituting meat, meat food products, poultry, poultry products, or eggs that had not been officially graded and stamped for products that had been officially graded and stamped; and (3) making any unauthorized or other unlawful use of, or altering, any official grading stamp of the United States Department of Agriculture (October 4, 1935).

"Docket No. 476, *Secretary of Agriculture v. The Great Atlantic & Pacific Tea Co.*:"

"Complaint: That respondent acting with and through an employee permitted the employee to represent himself as an independent broker and through such false representation to procure fees of 1, 2 and 3 percent of the sale price of meats sold by brokers and others through such employee; that respondent received the so-called brokerage fee on meats bought for it by its employee; and that respondent, through the collection of such fees, purchased meat and meat food products at a lower price than the price paid by its competitors to the same packers for like quantities of meat purchased under like circumstances.

"Disposition: Order entered after hearing requiring respondent to cease and desist from: (1) concealing or attempting to conceal the true relationship existing between it and any officer, employee, or agency under its control when and while such officer, employee, or agency is purchasing or is authorized to purchase meat and meat food products from any packer for it or its account; (2) making or permitting its officer, employee, or any person under its control to make any false or misleading representation that such officer, employee, or person is engaged in the brokerage business when such officer, employee, or person is purchasing meat supplies from meat packers for it or its account; and (3) collecting from any meat-packer a fee charged for any selling service respondent renders to any meat-packer, or from any officer or facility maintained and operated by it, which merely provides a contact or medium through which such meat-packer offers for sale or sells its meat or meat food products to respondent, which fee, charge, or compensation exceeds the actual and reasonable expense incurred by respondent in providing the service or furnishing the office or facility for such purposes (December 29, 1936). An appeal was taken from the Secretary's order to the Court of Appeals for the Third Circuit. The Secretary moved to dismiss the appeal on the ground that the practices and activities complained of were no longer being continued and that the parties had stipulated that there was no longer any reason for questioning the validity of the Secretary's order. The appeal was dismissed. On December 28, 1938, the Sec-

retary entered an order revoking his prior order in this case, provided, that if the Secretary shall in the future have reasonable cause to believe that the respondent is engaged in similar practices and shall order a hearing, the testimony taken in P. & S. docket No. 476 shall be considered as a part of the testimony taken in the future hearing.

"Docket No. 477, *Secretary of Agriculture v. Wilmington Provision Co., Inc.*:

"Complaint: That respondent made and gave an undue and unreasonable preference and advantage to The Great Atlantic & Pacific Tea Co. in that respondent paid, refunded and remitted to the company an amount of money equal to 1, 2, and 3 percent of the purchase price of certain products sold to the company by remitting such amount to an employee of the company knowing that such amount would be paid over to the company; and that respondent, in connection with its sale of meat and meat food products to competitors of The Great Atlantic & Pacific Tea Co., paid similar brokerage fees knowing that such fees were not remitted to competitors of the company.

"Disposition: Order entered after hearing requiring respondent to cease and desist from directly or indirectly refunding or remitting brokerage fees to any buyer of meat or meat food products while respondent is at the same time paying brokerage fees on sales to other buyers without directly or indirectly returning such fees to them (April 15, 1938). Upon motion by respondent to set aside the order for the reason, among others, that the factual situation upon which the order was based no longer existed, the order was set aside for a period of 60 days. Subsequently, the order was revoked after an investigation by the Department showed that the allegations made by respondent were true (September 7, 1938).

"Docket No. 479, *Secretary of Agriculture v. Essem Packing Co., Inc.*:

"Complaint: That respondent made and gave an undue and unreasonable preference and advantage to The Great Atlantic & Pacific Tea Co. in that respondent paid, refunded, and remitted to the company an amount of money equal to 1, 2, and 3 percent of the purchase price of certain products sold to the company by remitting such amount to an employee of the company knowing that such amount would be paid over to the company; and that respondent in connection with its sale of meat and meat food products to competitors of The Great Atlantic & Pacific Tea Co., paid similar brokerage fees knowing that such fees were not remitted to competitors of the company.

"Disposition: Prior to hearing, respondent stipulated to the facts in the case and agreed to cease and desist from the practice set forth in the stipulation. Thereupon, the case was postponed indefinitely, subject to being set down for further hearing at a future date in the event of the failure of respondent to comply with the stipulation (1936).

"Docket No. 480, *Secretary of Agriculture v. Ralph & Paul Adams, Inc.* (Same as docket No. 479.)

"Docket No. 481, *Secretary of Agriculture v. Arnurios, Dunn & Co.* (Same as docket No. 479.)

"Docket No. 482, *Secretary of Agriculture v. Boston Sausage & Provision Co., Inc.* (Same as docket No. 479.)

"Docket No. 483, *Secretary of Agriculture v. Albany Packing Co., Inc.* (Same as docket No. 497.)

"Docket No. 484, *Secretary of Agriculture v. E. Grenebaum Company.* (Same as docket No. 479.)

"Docket No. 485, *Secretary of Agriculture v. Hygrade Food Corporation.* (Same as docket No. 479.)

"Docket No. 487, *Secretary of Agriculture v. Figge & Hutwelker Co.* (Same as docket No. 479.)

"Docket No. 488, *Secretary of Agriculture v. Adolph Gobel, Inc.* (Same as docket No. 479.)

"Docket No. 489, *Secretary of Agriculture v. Standard Provision Co.* (Same as docket No. 479.)

"Docket No. 490, *Secretary of Agriculture v. F. G. Vogt & Sons, Inc.* (Same as docket No. 479.)

"Docket No. 491, *Secretary of Agriculture v. Beck Provision Co.* (Same as docket No. 479.)

"Docket No. 492, *Secretary of Agriculture v. L. S. Briggs, Inc.* (Same as docket No. 479.)

"Docket No. 493, *Secretary of Agriculture v. Cleveland Provision Co.* (Same as docket No. 479.)

"Docket No. 494, *Secretary of Agriculture v. Cudahy Bros. Co.* (Same as docket No. 479.)

"Docket No. 495, *Secretary of Agriculture v. N. Auth Provision Co.* (Same as docket No. 479.)

"Docket No. 496, *Secretary of Agriculture v. Frank M. Firor, Inc.* (Same as docket No. 479.)

"Docket No. 497, *Secretary of Agriculture v. Jacob Forst Packing Co., Inc.* (Same as docket No. 479.)

"Docket No. 499, *Secretary of Agriculture v. Albert F. Goetze, Inc.* (Same as docket No. 479.)

"Docket No. 500, *Secretary of Agriculture v. Knauss Bros., Inc.* (Same as docket No. 479.)

"Docket No. 503, *Secretary of Agriculture v. Augustus Saugy, Inc.* (Same as docket No. 479.)

"Docket No. 504, *Secretary of Agriculture v. Stahl-Meyer, Inc.* (Same as docket No. 479.)

"Docket No. 505, *Secretary of Agriculture v. Liberty Provision Co., Inc.* (Same as docket No. 479.)

"Docket No. 506, *Secretary of Agriculture v. Merkel, Inc.* (Same as docket No. 479.)

"Docket No. 507, *Secretary of Agriculture v. Miller & Hart, Inc.* (Same as docket No. 479.)

"Docket No. 508, *Secretary of Agriculture v. Taylor Provision Co.* (Same as docket No. 479.)

"Docket No. 509, *Secretary of Agriculture v. The Henry Muhs Co., Inc.* (Same as docket No. 479.)

"Docket No. 510, *Secretary of Agriculture v. Joseph Phillips Co.* (Same as docket No. 479.)

"Docket No. 518, *Secretary of Agriculture v. Fort Worth Poultry & Egg Co.*:

"Complaint: That respondent sold poultry at prices lower than were justified by the prevailing market prices for similar kinds of poultry, and reduced prices of poultry to a point lower than was justified by the prevailing market, and that such acts were done for the purpose or with the effect of injuring competitors and of driving them out of business.

"Disposition: Order entered after hearing, dismissing the complaint upon the ground that the evidence did not show any violation of the act with sufficient certainty to warrant the issuance of a cease-and-desist order. The order stated that the president of the respondent company testified that, irrespective of whether the acts complained of had ever occurred, in the future there would be no violation of the act on the part of respondent (May 22, 1936).

"Docket No. 549, *Secretary of Agriculture v. C. Swanson & Son*:

"Complaint: That respondent failed to accept and pay for livestock purchased for and on its behalf.

"Disposition: Order entered after hearing, requiring respondent to cease and desist from refusing to accept livestock, and pay drafts drawn on it by buyers who have been authorized to purchase livestock for respondent, and to draw drafts on respondent for payment of such livestock (November 11, 1936).

"Docket No. 580, *Secretary of Agriculture v. Armour & Co. and Swift & Co.*:

"Complaint: Following the issuance of the complaint, an order granting severance was entered and charges as to each respondent were considered separately. The complaint against Swift & Co. alleged that respondent had agreed and arranged with certain steamship agencies or companies that such companies would purchase meat, dairy, and poultry products only from respondent and would accept no bids from other vendors of such products without the consent of respondent; that, as a part of such agreement, respondent gave assurance of increased freight traffic to the steamship lines; that respondent falsely represented to the retail customers of various members of the New York Association of Meat, Poultry, & Game Purveyors, Inc., that members of the association had attempted to prevent respondent from selling meat, meat-food products, dairy products, poultry, and poultry products to the retail customers of the members of the association; that respondent sold to certain persons and concerns, under substantially similar circumstances and on or about the same dates, products of the same kind and quality at the same prices that it charged other purchasers for larger quantities of products of the same kind and quality and at lower prices than it charged other purchasers for like or larger quantities of products of the same kind and quality; that respondent gave price discounts to certain purchasers, while at the same time respondent did not give any discount to other purchasers who bought respondent's products under similar circumstances and conditions; that respondent extended long periods of credit to numerous purchasers while, at the same time and under similar circumstances, it extended shorted periods of credit to other purchasers; and that respondent, in the sale of its products wrapped and packed in containers, required some purchasers to pay for the containers and wrappers at the same price charged for the product, whereas it did not require other purchasers to pay for the containers and wrappers.

"Disposition: Order entered after hearing, requiring respondent Swift & Co. to cease and desist from (1) denying to any purchaser any discount which, at or about the same time, it granted to any other purchaser of packer products of like kind, quality, and quantity under similar circumstances; (2) requiring one purchaser of its wrapped and packaged packer products to pay for them on the basis of their weight at the time they were wrapped and packed by respondent, and allowing another purchaser to pay for such products on the basis of the actual weight thereof at the time of their physical delivery to the purchasers; and (3) denying to any buyer of packer products the same terms of credit that are extended to any other buyer of substantially the same credit rating purchasing packer products of like kind, quality, and quantity under substantially the same circumstances (June 1, 1938). This order was set aside on July 15, 1939, by the Court of Appeals for the 7th Circuit (*Swift & Co. v. Wallace*, 105 F. 2d 848).

"The complaint against Armour & Co. involved, primarily, an alleged agreement between Armour & Co. and a certain steamship-operating agency. This complaint was dismissed without hearing following the setting aside of the Secretary's order against Swift & Co. (docket No. 508-A).

"Docket No. 581, *Secretary of Agriculture v. Scala Packing Company, Inc.*:

"Complaint: That respondent refused to pay the full purchase price for hogs purchased on order.

"Disposition: Order entered after hearing, requiring respondent to cease and desist from refusing to pay the agreed purchase price for livestock, purchased on respondent's order (January 7, 1937).

"Docket No. 603, *Secretary of Agriculture v. Empire Veal & Mutton Company, Inc. and Tobin & Shannon*:"

"Complaint: That respondent Empire Veal & Mutton Co., Inc., agreed to purchase a carload of lambs from a shipper; that it thereafter, without legal cause, refused to accept said lambs, but later purchased a part of the shipment from a registered market agency at a posted stockyard; that respondent Tobin & Shannon, a market agency, failed to render a correct account of sale to the shipper; and that respondents conspired and agreed to engage in such unfair and deceptive practices.

"Disposition: Order entered after hearing, requiring respondent Empire Veal & Mutton Company, Inc., to cease and desist from (1) agreeing to purchase livestock and thereafter refusing to consummate the sale without legal cause therefor, and (2) conspiring and agreeing to engage in the unfair and deceptive practice of concealing from a shipper the facts pertaining to a sale. The order also required the respondent market agency to cease and desist from the practices alleged (April 23, 1937).

"Docket No. 708, *Secretary of Agriculture v. Leo Schloss, Inc.*:"

"Complaint: That respondent purchased lambs at a certain agreed price, but that, in making payment, respondent deducted and withheld a certain amount to cover an alleged shrinkage after butchering.

"Disposition: Order entered after hearing, requiring respondent to cease and desist from failing and refusing to pay the agreed price for livestock purchased by it (October 20, 1937).

"Docket No. 798, *Secretary of Agriculture v. Isaac Meddin, Alexander Meddin, H. J. Meddin, and Asa Medin, partners, trading and d/b/a Meddin Bros.*

"Complaint: That respondents failed and refused to pay the full price for cattle which they purchased.

"Disposition: Order entered after hearing, requiring respondents to cease and desist from (1) making any misrepresentation to a seller relative to the quantity, quality, or condition of any livestock purchased by them for the purpose of coercing the seller to accept less than the contract price for such livestock; and (2) failing and refusing, without just cause, to pay the contract price for livestock purchased by them (September 27, 1937).

"Docket No. 909, *Secretary of Agriculture v. Armour & Company, The Cudahy Packing Company, Swift & Company, Wilson & Company, Western Produce Company, Amarillo Poultry & Egg Company, and Ft. Worth Poultry and Egg Company*:"

"Complaint: That respondents engaged in a course of business for the purpose or with the effect of (1) manipulating or controlling prices at which poultry, poultry products, dairy products, and eggs would be purchased in commerce; (2) creating a monopoly in the acquisition of, buying, selling, and dealing in poultry, poultry products, dairy products, and eggs; (3) fixing and maintaining prices which they would pay for poultry, poultry products, dairy products, and eggs; and (4) driving competitors out of business; and that respondents conspired, combined, agreed, and arranged with each other and with other persons not subject to the provisions of the act to (1) apportion territory; (2) apportion purchases of poultry, poultry products, dairy products, and eggs; and (3) manipulate and control prices.

"Disposition: Order entered after hearing dismissing the complaint upon the ground that the evidence was insufficient to establish that respondents' operations were contrary to and in violation of the act (December 4, 1940).

"Docket No. 928, *Secretary of Agriculture v. Leo Schloss, Inc.*:"

"Complaint: That respondent failed to pay the full purchase price for livestock purchased for respondent by its agent.

"Disposition: Order entered after hearing requiring respondent to cease and desist from placing orders and buying livestock in interstate commerce for subsequent slaughter and thereafter failing and refusing to accept and fulfill the legal obligations assumed as principal (June 8, 1938).

"Docket No. 948, *Secretary of Agriculture v. Brighton Dressed Beef and Veal Company*:"

"Complaint: That respondent refused to pay the agreed price for cattle purchased for it by its agent.

"Disposition: Order entered after hearing requiring respondent to cease and desist from purchasing livestock in interstate commerce through buying agents and thereafter failing and refusing to recognize, accept, and be bound by the acts done and performed by its buying agents while acting within the scope of their employment (May 17, 1938).

"Docket No. 982, *Secretary of Agriculture v. Feldman Bros. Co.*:"

"Complaint: That respondent failed to make full payment for livestock purchased by it.

"Disposition: Order entered after hearing requiring respondent to cease and desist from purchasing livestock from a shipper and thereafter making arbitrary deductions from the purchase price for its own benefit or for the benefit of third parties without first obtaining authority from the shipper (June 30, 1938).

"Docket No. 1019, *Secretary of Agriculture v. Leo Schloss, Inc.*:"

"Complaint: That respondent failed to pay the full purchase price for a load of lambs.

"Disposition: Oral hearing was waived and an order entered requiring respondent to cease and desist from purchasing livestock through agents at and for an agreed price and thereafter failing and refusing to pay the seller the agreed price (February 3, 1938).

"Docket No. 1020, *Secretary of Agriculture v. Frederick County Products Co., Inc.*:"

"Complaint: That respondent refused to accept livestock shipped to him on order.

"Disposition: Order entered after hearing dismissing the complaint upon a finding that the cattle shipped to respondent did not conform to the requirements of respondent's contract with shipper (July 11, 1938).

"Docket No. 1021, *Secretary of Agriculture v. Frederick County Products, Inc.*:"

"Complaint: Same as docket No. 1020.

"Disposition: Same as docket No. 1020.

"Docket No. 1022, *Secretary of Agriculture v. B. Perlin*:"

"Complaint: That respondent failed to pay the full purchase price for livestock shipped to him on order; and that, as a pretext for refusal to pay the full purchase price, respondent falsely represented to the seller that the livestock did not comply with the requirements of the order.

"Disposition: Order entered after hearing requiring respondent to cease and desist from: (1) Making any misrepresentation to a seller relative to the quantity, quality, and condition of livestock purchased by respondent for the purpose of coercing a seller to accept less than the contract price for livestock; and (2) refusing to pay the contract price for livestock purchased by him (July 2, 1938).

"Docket No. 1081, *Secretary of Agriculture v. Armour & Company*:"

"Complaint: That respondent sold a consignment of live poultry for the account of a shipper at a price greater than the price shown on the account of sale rendered by respondent to shipper.

"Disposition: The complaint was dismissed without hearing upon representations that respondent had discontinued the handling of live poultry at its branch house in Chicago, did not intend to resume such operations, and had satisfied the claim of the consignor of the poultry (April 19, 1938).

"Docket No. 1105, *Secretary of Agriculture v. Leo Schloss, Inc.*:"

"Complaint: That respondent refused to accept livestock which it had ordered.

"Disposition: Order entered after hearing requiring respondent to cease and desist from entering into any agreement for the purchase of livestock and then refusing to accept the livestock at the agreed price (July 2, 1938).

"Docket No. 1175, *Secretary of Agriculture v. Holmes Livestock Commission Company and Union Packing Company*:"

"Complaint: That respondent made false reports to a railroad concerning weights of livestock and number of cripples.

"Disposition: Order entered after hearing requiring respondents to cease and desist from reporting false and incorrect weights of livestock and making false reports of crippled animals (May 25, 1940).

"Docket No. 1223, *Secretary of Agriculture v. Home Packing Company*:"

"Complaint: That respondent had made and used a meat grading stamp with intent to make purchasers of meat believe that the meat had been officially graded.

"Disposition: Order entered after hearing requiring respondent to cease and desist from: (1) representing any beef carcass or other meat food product as having been graded by a representative of the Department of Agriculture when such carcass or other meat food product had not been so graded; and (2) delivering to a purchaser any beef carcass or other meat food product represented to have been officially graded, knowing that the purchaser thereof required that such carcass or meat food product be officially graded (October 18, 1939).

"Docket No. 1787, *In re Louis McRedmond, doing business as Columbia Packing Company*:"

"Complaint: Unauthorized use of official meat grade roller.

"Disposition: Respondent admitted the allegations of fact, waived oral hearing, and consented to the issuance of a cease and desist order (June 24, 1947).

"Docket No. 1801, *In re Fred A. Ainbinder, et al.*:"

"Complaint: That respondents failed to pay for purchases of livestock.

"Disposition: Order entered after hearing requiring respondents to cease and desist from practice of purchasing livestock and failing to pay therefor (April 20, 1948).

"Docket No. 1818, *In re W. L. Harris, doing business as Victorville Packing House*:"

"Complaint: Same as docket No. 1801.

"Disposition: Same as docket No. 1801 (June 17, 1949).

"Docket No. 1820, *In re Louis A. Cross and Mrs. Anna Cross, doing business as Cross Meat Packing Company*:"

"Complaint: That respondents failed to pay for purchases of livestock.

"Disposition: Order entered after hearing requiring respondents to cease and desist from practice of purchasing livestock and failing to pay therefor (June 17, 1949).

"Docket No. 1838, *In re Quaker Packing Company, Inc.*:"

"Complaint: Same as docket No. 1801.

"Disposition: Same as docket No. 1801 (December 13, 1949).

"Docket No. 1910, *In re Berry Packing Company*:"

"Complaint: That respondent purchased livestock and issued checks in payment thereof which were returned by the bank because of insufficient funds.

"Disposition: Order entered requiring respondent to cease and desist from issuing checks in payment of livestock purchased when it did not have sufficient funds on deposit to pay such checks (October 19, 1950).

"Docket No. 1961, *In re Western Beef Company, Inc.*:

"Complaint: That respondent failed to pay full purchase price for livestock purchased on order.

"Disposition: Proceeding dismissed upon motion of complainant that evidence developed at the hearing did not warrant further action (July 10, 1951).

"Docket No. 1982, *In re Clover Packing Company, Inc.*:

"Complaint: Same as docket No. 1961.

"Disposition: Same as docket No. 1961.

"Docket No. 1986, *In re Russell Packing Company, Dower Packing Company, and Thomas W. Dower*:

"Complaint: That respondents employed as a buyer of livestock a person whose registration as a dealer was suspended for a period of 15 months for bribing weighmasters, and that the employment of such person as a buyer during the suspension of his registration as a dealer enabled him to continue activities at the stockyard substantially similar to those in connection with which the suspension order was entered and had the effect of nullifying the order.

"Disposition: Complaint dismissed upon conclusion that, since buyer's suspension as dealer had expired and since it was unlikely that the situation involved would recur, the matter in controversy was moot (December 16, 1954).

"Docket No. 2040, *In re Flicker Packing Co., Inc.*:

"Complaint: That respondent failed to pay the full purchase price for livestock purchased from registered market agencies and issued worthless checks in partial payment for such livestock.

"Disposition: Order entered requiring respondent to cease and desist from purchasing livestock in commerce and failing to pay full purchase price therefor, and from issuing checks in payment for livestock purchased in commerce when it did not have sufficient funds on deposit to pay such checks (February 18, 1953).

"Docket No. 2058, *In re Valleydale Packers, Inc., Salem, Va., and Valleydale Packers, Inc., of Bristol, Va.*:

"Complaint: That respondents, after purchases of calves at a stockyard at an agreed price per hundredweight, (1) demanded refunds from the stockyard company based upon carcass yields of the calves after slaughter, (2) demanded refunds based upon alleged excessive shrinkage of the calves, (3) collected such refunds from the stockyard company, and (4) misrepresented the yields derived by respondents from the calves.

"Disposition: Order entered requiring respondents to cease and desist from the acts and practices alleged in the complaint (June 1, 1953).

"Docket No. 2121, *In re Central California Livestock, Inc., doing business as Machlin Meat Packing Co.*:

"Complaint: That respondent purchased livestock from various persons and failed to make full payment therefor or otherwise failed to comply with the terms of the purchase agreements.

"Disposition: Order entered after hearing requiring respondent to cease and desist from the practice of purchasing livestock in commerce and failing to pay promptly therefor in accordance with contract terms and the practice of purchasing livestock in commerce and then refusing to accept such livestock (February 20, 1956).

"Docket No. 2126, *In re Swift & Co.*:

"Complaint: That respondent, in carrying on its frozen dairy products business in commerce, has engaged in various practices and

devices for the purpose or with the effect of (1) inducing established retailers to discontinue handling products of respondent's competitors and to handle respondent's products in lieu thereof, and (2) inducing new retailers to handle respondent's products exclusively; and that such practices and devices contribute to monopolization of the frozen dairy products industry in the hands of a few.

"Disposition: Pending.

"Docket No. 2179, *In re A. C. Berry and Dan O'Neill, partners, doing business as San Jose Meat Co.*:

"Complaint: That respondents failed to pay the full purchase price for livestock purchased by them at a stockyard.

"Disposition: Order entered after hearing dismissing the complaint upon the ground that, under the circumstances of the case, it would not be concluded that the failure to pay was without justification (October 16, 1956).

"Docket No. 2253, *In re Straub & Smith Packing Co., Inc.*:

"Complaint: That respondent had arrangement with a registered dealer which enabled respondent to obtain hogs at a stockyard at less than their true and correct weights.

"Disposition: Consent order entered requiring respondent to cease and desist from the practices alleged in the complaint (February 11, 1957).

"Docket No. 2270, Nathan Milner (Union Packing Co.): Complaint issued August 15, 1957. Collusion between packer buyers and livestock salesmen. Set for hearing April 29, 1958.

"Docket No. 2272, Arabi Packing Co.: Complaint issued August 30, 1957. Rebate and favored treatment to registered dealers. Compelling meat supplied to transfer meat purchasing account to one of respondent's largest customers by refusing to slaughter until transfer made. Consent cease and desist order issued November 1, 1957.

"Docket No. 2273, Dixie Packing Co., Inc.: Complaint issued August 30, 1957. Failing to purchase livestock in competition with other packers and buyers. Paying dealer who was also packer for purchasing livestock. Purchasing livestock through dealer who also purchased for other packers. Consent cease and desist order issued November 1, 1957.

"Docket No. 2274, V. L. Brousse: Complaint issued August 30, 1957. Failing to purchase livestock in competition with other packers and buyers. Consent cease and desist order issued November 1, 1957.

Docket No. 2280, Wilson & Co.: Complaint issued August 15, 1957. Price discrimination. Hearing in progress. Government's case in except for submission of certain written data.

"Docket No. 2281, Armour & Co.: Complaint issued August 28, 1957. False advertising of margarine. Hearing completed. Date for submission of briefs set.

"Docket No. 2286, George Roman, doing business as Roman Packing Co.: Complaint issued November 6, 1957. Failure to maintain accurate scales. Purchases of cattle at short weights. Consent cease and desist order issued January 7, 1958.

"Docket No. 2310, Tarpoff Packing Co.: Complaint issued February 12, 1958. Failure to conduct buying operations at St. Louis stockyards in competition with and independently of dealers. Respondent has consented to cease and desist order.

"Docket No. 2312, Williams Packing & Storage Co.: Complaint issued February 20, 1958. Aiding and abetting market agency employee in engaging in dealer operations and accepting in return special preferential credit privileges. Consent order being negotiated.

"Docket No. 2320, Frankel Meat Co.: Complaint issued April 3, 1958. Respondent em-

ployed as a buyer a salesman of a market agency whose services respondent was using. Hearing set for May 6, 1958.

"Docket No. 2328, The Klarer Co., Louisville Provision Co., and C. F. Vissman Co., Inc.: Complaint issued April 4, 1958. Failure to conduct buying operations in competition with and independently of dealers. Hearing set for May 27, 1958.

"Docket No. 2331, Volz Packing Co.: Complaint issued April 11, 1958. Failure to conduct buying operations in competition with and independently of dealers. Hearing set for June 2, 1958.

"Docket No. 2332, Young & Stout, Inc.: Complaint issued April 11, 1958. Use of meat grading terms on meat not so graded. Defacing grade marks. Hearing set for May 20, 1958.

"Docket No. 2333, Henry Morlang, Inc.: Complaint issued April 14, 1958. Use of meat grading terms on meat not so graded. Hearing set for May 22, 1958.

Mr. DIRKSEN. As to the issuance of the cease-and-desist orders as contended by the majority, I refer briefly to the Minority Views and Report No. 704 taken from testimony from witnesses appearing before the subcommittee, as follows:

Mr. HARDENBERGH. Proponents of this legislation have apparently succeeded in creating the impression that the meatpacking industry is not subject to antitrust laws. As I shall point out later, it is difficult to think of any other industry, the activities of which have been subject to closer scrutiny by the Government. The present hearing is but one of many occasions on which we have given an account of industry activities.

In this connection, it should be noted that there has been a widespread misinterpretation of some of the statements made by proponents of these bills. It should not be assumed that lack of FTC jurisdiction means immunity.

The Department of Justice has authority to enforce the antitrust laws against meatpackers and on many occasions has sought to exercise that authority, although the lack of convictions proves an absence of illegal activity.

Mr. BROWN. I am sure, Senator, that if the complaint were made of improper buying practices to the Department of Agriculture, they would be equally anxious, and better equipped to investigate those practices than would the Federal Trade Commission.

Now furthermore, direct buying practices was one of the matters under investigation, again, in the major suit that was filed in 1948, and they have been the subject of investigation in other actions by the Department of Justice.

Mr. HARDENBERGH. And by the Department of Agriculture.

Senator DIRKSEN. In light of the chairman's question, I am curious about the vehement opposition of, for instance, the California Cattlemen's Association, consisting of perhaps 2,600 members, or whatever they have, and these other cattlemen's association. They are the producers, the sellers. If that were true, why should they be against this bill?

Mr. BROWN. The question answers itself, Senator.

In that same connection, there seems to be a feeling that the Federal Trade Commission has an investigative group that is always out in the field looking for improper trade practices. Actually, the Federal Trade Commission, just as the Department of Agriculture, acts basically upon complaints that are made to it, and not upon the basis of investigations generated or instituted by it.

I do not know of any industry that has as many persons attached to a regulatory

agency which are constantly surveying its operations as the packing industry.

Mr. BROWN. I think directly the contrary, because I think it is an indication that the improper activities at that end are either nil or minor. That is an area that has been investigated by the Department of Justice, again, and they found nothing improper in that area.

Senator DIRKSEN. It could mean one other thing: If they have good surveillance it means that the difficulty was probably cured before it moved very far.

Mr. BROWN. Certainly.

In further answer to letters and statements introduced into the record as to the number of complaints filed and cease and desist orders issued, Mr. Brown stated as follows:

In the first place, and this very obviously is subject to check and confirmation by counsel, I think you will find the record given by the Under Secretary of Agriculture respecting the number of complaints processed within the period 1953 will compare very favorably with the number of complaints processed by the Federal Trade Commission in connection with complaints against any other industry. I think you will also find, by check with the Federal Trade Commission, innumerable industries with respect to which the Federal Trade Commission has undertaken no investigation of monopolistic practices within 11 years, or 20 years, or 30 years, ordinarily because of the fact that no monopolistic practices exist.

I do not want to appear critical of the Federal Trade Commission in the effectiveness of its enforcement program. I bring this to the attention of the Senate merely as an indication that one can always find fault with any regulatory enforcement agency if desired. I should like to refer briefly to House Report No. 1372 of the 85th Congress, 2d session, a report by the Committee on Government Operations dealing with false and misleading advertising. On page 25 of that report, it states:

3. The Federal Trade Commission has failed in its statutory duty to "prevent deceptive acts or practices" in filter-cigarette advertising. The activities of the Commission to prevent this deception were weak and tardy. As a result, the connection between filter-tip cigarettes and protection has become deeply embedded in the public mind.

4. The Federal Trade Commission has failed to approach the problems of false and misleading advertising with vigor and diligence.

Further, in House Report No. 1157 of the 85th Congress, 1st session, Interim Report of Subcommittee No. 5, Select Committee on Small Business on the subject of Distribution Practices in the Petroleum Industry, it states as follows:

6. The regulatory powers of the Federal Government, mainly in the statutes administered and enforced by the Federal Trade Commission and the Antitrust Division of the Department of Justice, would be of far greater value to small-business men if enforced within a reasonable time and if followed up by vigorous action when violations occur.

The appropriate committees of the House of Representatives continue studies on cutting down the delay in the Federal Trade Commission, involving, in many instances, years of investigation and hearing procedures, culminating in cease-and-desist orders which are sometimes more honored in

the breach than in the adherence. The subcommittee is aware that both the Committee on the Judiciary and the Committee on Interstate and Foreign Commerce have undertaken comprehensive investigations of the Federal Trade Commission and other regulatory agencies.

Anyone who carefully examines the record will come to the conclusion that the Department of Agriculture is as well equipped, if not better equipped, to enforce the Packers and Stockyards Act than is the Federal Trade Commission and therefore the O'Mahoney-Watkins bill, S. 1356, should be defeated and the Dirksen amendment to S. 1356 or the Cooley bill should be preferred.

The point has been made that there was no discussion in the hearings on the Cooley bill. I thought there was ample discussion before the Committee on Agriculture and Forestry when the bill was rereferred there. So the members became quite familiar with it.

The third point I make is that a rather impressive and substantial list of organizations adopted resolutions opposing Senate bill 1356, as introduced by the Senator from Wyoming and the Senator from Utah.

I submit for the RECORD the list of organizations that were opposed to the bill as it came to the committee in the first instance. Those organizations included the American Farm Bureau Federation, the American National Cattlemen's Association, the American Stockyards Association, the California Cattlemen's Association, and a great many others.

I shall certainly not trespass on the good grace of the Senate by reading the entire list, but I ask unanimous consent to have it printed in the RECORD along with my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS THAT HAVE PASSED RESOLUTIONS OPPOSING S. 1356

American Farm Bureau Federation, American National Cattlemen's Association, American Stockyards Association, Arizona Cattle Feeders Association, California Cattle Feeders Association, California Cattlemen's Association, California Farm Bureau, Corn Belt Livestock Feeders Association, Idaho Cattlemen's Association, Kansas Livestock Association, Minnesota Farm Bureau, Missouri Livestock Association, Montana Stock Growers Association, New Mexico Cattle Growers Association, North Dakota Stock Growers Association, Oregon Cattlemen's Association, Texas and Southwestern Cattle Raisers Association, Washington Cattlemen's Association, National Wool Growers Association, Arizona Cattle Growers Association, Montana Wool Growers Association, Nevada State Cattlemen's Association, Washington Wool Growers Association, National Grange.

Meat packer organizations: American Meat Institute and National Independent Meat Packers Association.

Mr. DIRKSEN. Mr. President, I think I am content to leave the case at that point.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. WATKINS. Would not the Senator regard Assistant Secretary Butz as

a competent witness to testify as to what the Department had done with reference to enforcement under title II of the Packers and Stockyards Act?

Mr. DIRKSEN. I would, provided everything Mr. Butz said was printed in the RECORD, including the docketed cases which were submitted to the Senator from Florida [Mr. HOLLAND] at his request.

Mr. WATKINS. Only 92 formal cases were brought, yet there have been thousands and thousands of livestock and wholesale transactions. Of that number there were only 36 formal cease and desist orders issued under title II. Of the 36 formal cease and desist orders issued under title II, only nine have been issued for engaging in unfair practices involving wholesaling and merchandising of meat, meat food products, and so forth.

We had before us a situation in which the man who is supposed to be the strongest defender of his Department very frankly said the job had not been done. He was familiar with the history. No matter what the figures show—In my opinion they show little enforcement of title II—we have the statement of the man who investigated the record and was presenting the formal defense of the Department against this particular measure. He said in effect that "we admit it has not been done, but we repent, and can we not be given another chance?"

It seems to me after 37 years the Department has been given sufficient opportunity, but it simply cannot do the job when there are involved such large transactions as the big packers enter into day by day.

Under those circumstances, it seems to me that all the talk about 92 cases peters down to practically nothing at the end. We ought to take the considered and firm conclusion of the Assistant Secretary who was sent to appear before the committee to defend the position of the Department. That is what he said. I do not think there is any dispute about it based on the record.

Mr. DIRKSEN. My very affable friend from Utah falls into the error of measuring effectiveness by the amount of litigation which has been initiated. I point out to him that the primary function of the Department was to police the act in order to avoid litigation. Had the Department developed no litigation, I would not have been unhappy, because it has sufficient personnel to police the stockyards in order to be able to detect whether unfair, discriminatory, or deceptive practices are about to be pursued, to caution those who might engage in them, and thereby avoid not only litigation but disciplinary action on the part of the Department. Therefore, I think the record in that respect is tolerably good.

The other matter I should like to mention is the niggardliness of the Congress itself in making available necessary appropriations. I was on the Appropriations Committee of the body at the other end of the Capitol for about 12 years or more. I have been on the Senate Ap-

appropriations Committee for some years. I know how parsimonious Congress is when it come to making available necessary funds. I might even charge the Budget Bureau in that respect, for when that bureau makes its proposals, obviously its requests are whittled down in the Congress. They are whittled down in the Senate Committee on Agriculture and Forestry. Then we have difficulties in conference. No later than last year did we take a very substantial chunk out of the department's appropriation.

To be sure, not all the money is spent on enforcement, but there is still a responsibility on the part of the Congress to look into the matter, particularly when legislation is pending. We must say to them, "We insist that sufficient money be provided for complete and adequate enforcement."

We ought publicly to confess our own sins in the matter and bear our full share of the responsibility.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WATKINS. I invite the attention of the Senator to the fact that I produced the record submitted by the Department of Agriculture itself, which shows clearly that except for 2 years the Congress did not turn down a request for any substantial sum of money. Only in 2 years did Congress turn them down. One was the year to which the Senator referred, when money was requested largely for the posting of new yards. The money request was not for the enforcement of Title II, but for the posting of new yards under title III. As I understand the justification, it covered that activity and not the prosecution under title II of unfair wholesaling trade practice.

Actually, in over 37 years we have only once cut back the appropriations more than \$5,000 or \$6,000. But the Department itself has actually cut down the requests of the Enforcement Branch of the Department of Agriculture. The Department would not submit the requests of the P. and S. Branch to the Bureau of the Budget, and the Bureau of the Budget did not request sufficient funds to take care of the job.

It seems as though there has never been any particular interest in the enforcement of title II as concerns packer wholesaling activities. Secretary Jardine, who originally hailed from the State of Utah, apparently did not like the act, and from that point on it was a stepchild many degrees removed from effective administration. It did not get the attention it should have had. It seems to me the record is pretty clear on that matter.

It does not do any good to cite a few formal statistics which do not mean anything, really, unless we go into what each one is all about.

Mr. DIRKSEN. Mr. President, may I politely respond to my friend by saying that in the years I have served on the Senate Subcommittee on Appropriations dealing with agriculture, I have no recollection that a single Senator has come before the subcommittee and asked that there be an implementation of and an

increase in the funds for the enforcement of this function of the Department of Agriculture.

If we were so interested in the matter, and if we felt a good job had not been done, why did Senators not march themselves downstairs, appear before the Appropriations Committee, and say, "We insist that more money be provided for the enforcement of the Packers and Stockyards Act"? I have no recollection that a single Senator ever came to the committee to make such a request.

Mr. WATKINS. The Senators did not do that because the matter had not been brought to their attention. Senators were busy with other affairs, and they did not go into that matter. They thought the Department itself would ask for sufficient money. Heaven knows the Department of Agriculture has asked for billions of dollars for many other purposes including other regulatory functions. As to this particular item, Senators would never know the Department had not asked for enough money. It was only when we began to check the history of title II enforcement that we found a very unsatisfactory record as to requests from the Department of Agriculture for prevention of unfair wholesaling trade practices.

Frankly, if I may be permitted to make this observation, I think the Department of Agriculture ought to be very happy indeed to get rid of this particular chore. The Department is not in the business of regulating unfair trade practices in the matter of the wholesaling of meats. The Department has a special responsibility, and for that they have requested money. They have asked for plenty of money—not quite plenty, perhaps, because the record shows they were skimpy about it even in the matter of posting yards, inspections, and regulation of the sales of livestock at the markets themselves as well as country buying by packers. The Department has not even had enough money for those activities under titles II and III of the Packers and Stockyards Act.

If any Senator wants to get the record, we can check that. I can cite the page where Mr. Pettus and others pointed out how thin the appropriations were spread.

I invite attention to the situation in Ogden, Utah, where, in order to make inspections, it was necessary to rely on 4 or 5 men for a dozen yards. The job simply could not be done with that kind of force, let alone supervise wholesaling practices.

Mr. THYE rose.

Mr. DIRKSEN. Mr. President, I wish to make a short response before yielding to the Senator from Minnesota.

This is an integrated operation from top to bottom. It is vertical, applying to the whole livestock industry. The Department knows that better than anybody else. I am always glad when they tenaciously contend for the function they are trying to articulate and carry out as effectively as they can. They have done a reasonably good job, in my judgment.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Minnesota.

Mr. THYE. Is it not true that there is involved in the Packers and Stockyards Act a question as to the slaughtering of the animals? Is it not true that there is involved the animal carcass, and that veterinarians within the Department of Agriculture have certain knowledge that an ordinary layman without a veterinarians qualification cannot have?

Mr. DIRKSEN. That is exactly so.

The PRESIDING OFFICER. The time of the Senator has expired. All time on the amendment has expired.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. As I understand, the question now is on agreeing to the amendment offered by the Senator from Illinois as a substitute for the amendment proposed by the Committee on Agriculture and Forestry, which the Committee on the Judiciary has accepted. Am I correct?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN], as a substitute for the amendment reported by the Committee on Agriculture and Forestry as a substitute for the substitute reported by the Committee on the Judiciary.

Mr. O'MAHONEY. I thank the Presiding Officer.

Mr. President, I yield myself 1 minute on the bill.

I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter from Chairman Gwynne, of the Federal Trade Commission, to Hon. HAROLD D. COOLEY, chairman of the House Committee on Agriculture, expressing the opinion of the Federal Trade Commission that the Cooley bill, House bill 9020, is not a satisfactory solution to the problem. That bill, of course, is identical with the amendment of the Senator from Illinois.

I invite the attention of Senators to the fact that this amendment and the Cooley bill would limit the jurisdiction of the Federal Trade Commission to the discretion of the Secretary of Agriculture, which is not the way to operate a railroad.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, February 20, 1958.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to your request of February 5, 1958, for a report on H. R. 9020, a bill "to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes."

The Federal Trade Commission recognizes that H. R. 9020 reflects many hours of labor and careful consideration, but we do not recommend the enactment of this bill in its present form. The Commission prefers enactment of legislation which would combine S. 1356 and section 2 of H. R. 9020.

The Commission believes that legislation in this field should accomplish two purposes.

First, it should divide jurisdiction between the Secretary of Agriculture and the Federal Trade Commission clearly and cleanly.

Second, the legislation should confer upon each of the two Federal agencies involved that authority which it is best able to exercise effectively in the interests of producers, of packers and of the general public.

Neither of these basic objectives appear to be satisfactorily accomplished by H. R. 9020 in its present form.

First, as to the relative areas of jurisdiction, H. R. 9020 endeavors to divide the jurisdiction both on the basis of products and on the basis of functions and thus continues, in many respects, the mixed jurisdiction of the Packers and Stockyards Act of 1921.

In so doing, it appears to us that H. R. 9020 does not delineate adequately the relative jurisdictions of the Secretary of Agriculture and of the Federal Trade Commission. It is true that H. R. 9020 solves some of the jurisdictional problems which have resulted from the intermix of jurisdictions established by the Packers and Stockyards Act of 1921. But H. R. 9020 does not solve all such problems. Moreover, it creates certain new areas wherein the relative jurisdictions could be ascertained only after litigation. After 37 years, jurisdictional questions under the Packers and Stockyards Act are still being litigated. Consequently, we believe a new approach should be made which would not only tend to put an end to all such existing jurisdictional questions, but which would avoid creation of any new problems.

A clear division of authority would be of benefit to the Secretary of Agriculture and to the Federal Trade Commission, but, equally important, it seems to us also that the parties regulated have a right to know with finality which agency is regulating them. This is not clearly accomplished by H. R. 9020, which incorporates undefined and unlitigated language and provides for a shift of jurisdiction at the option of the Secretary of Agriculture.

As to the latter, we feel that it would be desirable for jurisdiction to be determined by the Congress. Since this is an independent agency, the Federal Trade Commission's jurisdiction should not be permitted to rest upon a determination by an executive department. In *Rathbun (Humphrey's executor) v. United States*, 295 U. S. 602 (1935), the Supreme Court described the Federal Trade Commission as "a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government."

Under H. R. 9020 our jurisdiction would be subject to the leave of the Secretary of Agriculture.

Secondly, contemplating the proposed division of jurisdiction in the light of the ability and experience of each agency, we feel that the bill is seriously defective. The area of expertness of the Secretary of Agriculture, as evidence in his experience, generally relates to matters involved in production and the initial sale by the producer. The Federal Trade Commission operates primarily in the field of merchandising of commodities, that is, in sales to wholesalers, to retailers and to consumers.

H. R. 9020 attempts to split jurisdiction over wholesale operations of packers between the Secretary of Agriculture and the Federal Trade Commission on the basis of the products involved. Packers sell many things. It is possible that with respect to a number of items being sold by a packer on the same invoice the Secretary of Agriculture could have jurisdiction over some and the Federal Trade Commission would have jurisdiction over certain other items involved in the same sale. It would seem more appropriate that complete jurisdiction over all sales by a single seller be vested in one or in the other agency.

H. R. 9020 appears designed to confer some jurisdiction over meats to the Federal Trade Commission in subparagraph (2) (b) of section 1 in the words "retail sales of any commodity." By thus separating the retail trade from the wholesale trade it is quite possible that H. R. 9020 would effectively prevent enforcement of applicable statutes as to either the wholesale or retail trade. The Commission, according to its more than 40 years of experience, cannot effectively oversee trade practices in retailing without having like jurisdiction over the wholesale trade. Moreover, the Secretary of Agriculture would have jurisdiction over the wholesaling but not the retailing of meats, etc., and this division of authority could well prevent effective enforcement at the wholesale level.

There is a way to accomplish both legislative objectives set forth in the fourth and fifth paragraph of this report. The method which we have in mind would incorporate a significant part of H. R. 9020 and S. 1356. We commend this solution to your attention. It appears to us that there is with respect to trade practices in the livestock and packing industry a logical cutoff point where the jurisdiction of the Secretary of Agriculture should terminate and the jurisdiction of the Federal Trade Commission over unfair trade practices should begin. That point is reached after the livestock is slaughtered and processed by the packer.

Prior thereto we believe complete jurisdiction should rest with the Secretary of Agriculture. For this reason, the Commission wholeheartedly endorses section 2 of H. R. 9020 which would place in the Secretary of Agriculture jurisdiction over all commercial transactions in livestock, wherever such transactions take place. Since the enactment of the Packers and Stockyards Act in 1921, the Federal Trade Commission has never, within the memory of its staff, received a complaint from any source regarding any transactions in livestock. As a result the Commission claims no experience in this field. All such authority should logically be placed in the Secretary of Agriculture.

However, when livestock has been slaughtered and processed it becomes a commodity, which, while very important, is not seriously different from the thousands of other commodities subject to the jurisdiction of the Federal Trade Commission. Commodities subject to the Federal Trade Commission include many of agricultural origin. Thus, when grain becomes flour or bread, commercial transactions in it are under the Commission; when milk is put into bottles or cans or processed into cheese or butter, it is subject to our jurisdiction; vegetables

and products made therefrom such as oils, etc., are subject to the Federal Trade Commission. The same is true of eggs, rice, coffee, fruits and juices, and countless other items. With respect to certain products, the original sale is subject to the Secretary of Agriculture, but subsequent transactions in commerce are within the jurisdiction of the Federal Trade Commission. We can see no reason for according different treatment to meat.

For this reason the Federal Trade Commission recommends that the Packers and Stockyards Act be amended so as to give the Secretary of Agriculture jurisdiction over all transactions in livestock prior to slaughter and processing and the Federal Trade Commission jurisdiction over commercial transactions which take place after the livestock has been slaughtered. If this type of legislation is enacted there would be no confusion and no necessity for litigation to determine jurisdiction, and each agency would have jurisdiction in those areas where it is most effective.

The Secretary of Agriculture would have jurisdiction over the production and sale of livestock. Moreover, his jurisdiction under the Meat Inspection Act would remain untouched. The Federal Trade Commission would have jurisdiction over all sales by packers, whether such sales involve meat or any of the many other products sold by packers.

The purposes described in paragraphs 4 and 5 of this report would be accomplished by enactment of S. 1356 if such act were amended by the addition of section 2 of H. R. 9020. The Commission recommends that this combination of the Senate bill and your bill be enacted into law.

Because of the urgency of your request, this report is transmitted without clearance by the Bureau of the Budget.

By direction of the Commission.

JOHN W. GWYNNE, Chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] as a substitute for the amendment reported by the Committee on Agriculture and Forestry as a substitute for the substitute reported by the Committee on the Judiciary.

All time has expired on the amendment. [Putting the question.]

Mr. DIRKSEN and Mr. JENNER requested a division.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Committee on Agriculture and Forestry as a substitute for the amendment of the Committee on the Judiciary.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Committee on the Judiciary, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1356) was ordered to be engrossed for a third reading and was read the third time.

Mr. HOLLAND. Mr. President, unless all time has been yielded back, I believe, under the unanimous-consent agree-

ment, time will have to be yielded back by the Senators who control it.

Mr. DIRKSEN. That is correct.

Mr. ALLOTT. Mr. President, I should like about 4 minutes.

Mr. DIRKSEN. Mr. President, I yield 4 minutes on the bill to the Senator from Colorado.

Mr. O'MAHONEY. Mr. President, I yield 3 minutes on the bill to the Senator from Colorado.

Mr. ALLOTT. At the outset, Mr. President, I should like to make clear that I have no ax to grind on this legislation. However, I do wish to associate myself with the remarks of my colleague, the distinguished Senator from Utah [Mr. WATKINS], whose analysis of the problems of the meat business—from cattle range to cooking range—is based firmly on long, careful, and objective study.

Like the Senator from Utah, I am a strong advocate of an economy as free as possible from arbitrary restraint. I do not want my name associated with those who constantly attack big business as a monster worthy only of destruction.

Our Nation's big businesses are an integral part of America's greatness. They have grown because the consumer has seen fit to reward their efforts by buying their products in large numbers.

My support of S. 1356 stems from the fact that I believe everyone should play by the same rules. If the meatpackers are to have their own special set of regulations, why should not the automobile industry also have a like rule book?

If the meat industry is to have a set of trade regulations in the Department of Agriculture peculiar to the industry, why not a similar division in the Department of the Interior for the fishing industry?

It is not reasonable to have Federal trade regulation of all industries save one lodged with the Federal Trade Commission. And by the same token, it is distinctly unfair to one industry to have special rules by which it must abide.

A glance at the history of past years of trade regulation by the Packers and Stockyard Division gives us ample reason for this measure. It shows quite vividly why the Department, whose basic responsibility is to nurture an industry, should not also have the responsibility of policing that very same industry.

The facts have been set out with crystal clarity. There has been no effective enforcement of the trade regulations insofar as the meatpacking industry is concerned. S. 1356 would correct that situation.

It is for that reason that I am pleased to join with the distinguished group of Senators in supporting this bill.

Mr. O'MAHONEY. Mr. President, I have conferred with the Senator from Illinois [Mr. DIRKSEN] and I understand that he is prepared to yield back the remainder of his time.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

Mr. O'MAHONEY. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1356) was passed, as follows:

Be it enacted, etc., That (a) subsection (6) of section 5 (a) of the Federal Trade Commission Act, as amended (66 Stat. 632; 15 U. S. C. 45 (a), (6)), is amended to read as follows:

"(6) The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the acts to regulate commerce, air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938 and except as provided in section 406 (b) of the Packers and Stockyards Act, 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

(b) Section 406 (b) of the Packers and Stockyards Act, 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), is amended to read as follows:

"(b) On and after the enactment of this act, and so long as it remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which is made subject to the jurisdiction of the Secretary—

"(1) by title II of this act if it concerns either (i) livestock or live poultry, or (ii) any other product in a form other than one in which it is marketed by the packer, poultry dealer, or poultry handler; or

"(2) by titles III or V of this act, except in cases in which, before the enactment of this act, complaint has been served under section 5 of the act entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' approved September 26, 1914, or under section 11 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case. The Secretary and the Federal Trade Commission shall maintain such liaison as is necessary to avoid unnecessary duplication of effort in the field covered by this act. Each shall give immediate notice to the other of the filing of a complaint by either agency with respect to any matter over which both have jurisdiction, and thereafter the other shall not institute proceedings covering the same matter."

The amendment made by this subsection shall be effective only during the 3-year period beginning with the date of enactment of this act, except that it shall continue effective thereafter with respect to complaints filed by either agency during such 3-year period.

(c) Section 202 of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended by inserting after the word "unlawful" the words "with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products".

(d) Section 201 of the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended by inserting at the end thereof the following: "A change in any person's status as a packer or live poultry dealer or handler after a transaction or act has occurred shall not affect the authority or jurisdiction of the Secretary or the Federal Trade Commission to institute proceedings and issue orders based upon such transaction or act applicable to such person or

such action as may be provided by law for the enforcement of such order."

(e) The caption to title III, appearing immediately before section 301 of such act (42 Stat. 163; 7 U. S. C. 201) is amended by adding, immediately following the word "Stockyards," the words "And Livestock Transactions."

(f) Section 301 (c), section 301 (d), and section 312 (a) of title III of such act (42 Stat. 163 and 167; 7 U. S. C. 201 and 213) are amended by striking out in each such section, wherever they appear, the words "at a stockyard."

(g) Section 302 (a) of title III of such act (42 Stat. 163; 7 U. S. C. 202a) is amended by striking out the last sentence thereof.

(h) Section 303 of title III of such act (42 Stat. 163; 7 U. S. C. 203) is amended by inserting after the first sentence thereof the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the act may be required to register in such manner as the Secretary may prescribe."

(i) Section 311 of title III of such act (42 Stat. 167; 7 U. S. C. 212) is amended by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer," and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers."

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. O'MAHONEY. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. PROXMIER in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Labor and Public Welfare.

(For nominations this day received, see the end of Senate proceedings.)

RETURN OF VICE PRESIDENT NIXON FROM HIS SOUTH AMERICAN TOUR

Mr. HUMPHREY. Mr. President, I was glad to join the President, many of my fellow Senators, and other Government officials, in going to the airport this morning on the occasion of the Vice President's return from his difficult Latin American tour. We rejoice that the Vice President and Mrs. Nixon are back in this country, and we honor them both for the display of personal courage and dignity which they displayed under repeated abuses.

However, Mr. President, as I said on April 21 when I spoke in the Senate on Pan-American Day, this is also an occasion for a realistic appraisal of deficiencies in our own approach to Latin American affairs. At that time, well in

advance of Vice President Nixon's trip, I said:

We slung Latin American affairs into the background, concerned as we are with emergency situations elsewhere in the world. If our neglect continues, I should not be surprised to see further crises develop on our southern doorstep.

Now that this trouble has come, Mr. President, I hope we will reexamine and reevaluate our relations with Latin America. How can it have happened that our Good Neighbor Policy has disintegrated to this extent in a few years' time? One reason, of course, is that some of our official spokesmen have minimized the dangers—even the dangers of Communist activity in South America.

When asked about these matters in his press conference on November 5, 1957, Secretary Dulles said "We do not take a grave view of the situation—we do not think that this situation is in anyway alarming."

I think that the country will now take a graver view of the situation. Without doubt the situation is in some degree alarming, and it is high time we turned our attention to it.

I ask unanimous consent that 3 editorials which have just come to my attention, which deal with 3 aspects of the Vice President's Latin American trip, be inserted at this point in my remarks.

The first was one entitled "Lesson for United States in Nixon's Latin Tour," which appeared in the Minneapolis Tribune on Saturday, May 10, 1958, prior to the disturbance in Venezuela.

The second, entitled "Nixon's Narrow Escape," appeared in the Washington Post and Times Herald for May 14, 1958.

The third, entitled "Troop Movement," appeared in this morning's New York Times.

These editorials outline some of the important, underlying problems now vexing our relations with Latin America. Something far more effective than goodwill tours or dispatching United States marines is needed if these relations are to be restored.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Minneapolis (Minn.) Morning Tribune of May 10, 1958]

LESSON FOR UNITED STATES IN NIXON'S LATIN TOUR

The attacks on Vice President Nixon in Lima were disgraceful in the extreme and there seems little doubt that they were planned and led by Communists.

As Nixon declared, that day undoubtedly will "live in infamy" in the history of Peru, though it might have been wiser to let chastened Peruvians say it.

Lima aside, the Vice President has every right to be satisfied with results of his goodwill tour of South American countries, despite lesser outbursts against him and the United States in other capitals.

The trip was undertaken in full knowledge that some of these nations are in acute economic difficulties which they blame in part on United States policies. Nixon's knowledge of these problems and his willingness to discuss them—with university students as well as with Government officials—will be remembered long after some of the outbursts against him are forgotten.

Nixon even made a blunt comment in Buenos Aires which United States diplomats

in Latin America generally are all too reluctant to make when he said: "Dictatorships are repugnant to our people."

Having said all these things about the Nixon tour we should add this warning: It would be a grave mistake for Washington to dismiss all of these anti-United States sentiments in the countries he visited as simply Communist-inspired.

Many South Americans—including many Peruvians—who despise communism feel deeply that the United States takes them too much for granted and is not sympathetic enough to their economic problems, especially since the start of the current recession.

The official newspaper of Peru's largest party—a left-wing but anti-Communist publication—voiced these complaints on the day Nixon arrived in Lima. It conceded that much anti-United States sentiment in Latin America was fomented by the Communist fifth column.

It added, however, that such sentiment was also due to frustration and bitterness that United States attitudes have created among genuinely democratic groups friendly to the United States people, such as ourselves. Among grievances it listed United States support for Latin dictatorships and unilateral policies injurious to Latin economies.

Along with Bolivia and Mexico, Peru desperately fears higher United States tariffs on lead and zinc, which it must export. It has also complained in the past that the United States has granted it too small a sugar quota and has undercut Peruvian cotton exports with dumping.

At bottom of many Latin American economic difficulties is the predominantly one-crop or one-product economy. It should be higher priority on the economic side of the United States foreign policy effort to help the American republics diversify.

No one should pretend that a solution will be easy, but it is obvious that a more determined attempt must be made. We shall be less vulnerable to Yankee imperialism charges during this effort if we can make it on a multilateral basis through such international agencies as the Inter-American Economic and Social Council and the United Nations Economic Commission for Latin America.

Perhaps the less favorable aspects of the Nixon goodwill tour will spur Washington to get on with the job.

[From the Washington Post of May 14, 1958]

NIXON'S NARROW ESCAPE

The shower of stones hurled at the Vice President of the United States in Venezuela should shatter any remaining illusion that all is well south of the border. Mr. Nixon's reception was easily the worst he has braved in his eight-nation tour of Latin America. His stop was preceded by an ugly assassination rumor; a jeering mob crowded around the Vice President, spat upon his car, flaunted anti-Nixon placards, and shouted, "Nixon, go home." There will be widespread relief that the Vice President and Mrs. Nixon emerged unscathed.

The first, and normal, response is anger at this indefensible and insulting behavior to the second highest official in the United States. Apparently this was the impulse which led President Eisenhower to order 1,000 marines to nearby United States bases to "cooperate," if necessary, with the Venezuelan Government. Venezuela's ruling junta evidently failed to provide adequate police protection against an outburst that can only hurt their country; and perhaps it was a mistake for American officials to sanction the visit.

Yet it would be foolish to miss the obvious import of this demonstration in a country which outwardly has every reason to be friendly to the United States. Venezuela

leads Latin America in the amount of United States capital investment (\$3 billion) and is the largest Latin purchaser of American goods. As in Peru a few days ago, Communists were, of course, partly responsible for inflaming the youngsters for their own ends. There is no way of measuring whether a demonstration of a few rioters really represents any substantial public opinion. But there seems to be more behind the demonstrations than a handful of Communists.

Many Venezuelans, along with other Latin Americans, appear to be confused and dispirited about the complacent face which the Colossus of the North seems to show toward its neighbors—about the appearance of neglect for problems in this hemisphere while the United States concerns itself with Europe and Asia. Understandably, there is bafflement at a policy which preaches the blessings of competitive free enterprise while simultaneously raising barriers to Venezuelan oil so that the Texas oilmen will have a little less competition. And there is cynicism about a policy which speaks of freedom while appearing to be friendly to the cutthroat regime which Venezuela overthrew only a few months ago. The fact that the country's one-time strong man, Gen. Marcos Perez Jimenez, was granted a comfortable asylum in the United States has not helped public relations. These doubts, combined with an upsurge in Latin American nationalism, provided the seedbed for the anti-Nixon demonstrations. It would be the course of folly to ignore the seedbed while deploring the crop.

[From the New York Times of May 15, 1958]

TROOP MOVEMENT

The public dispatch of 1,000 marines and paratroopers to Caribbean bases in reply to the outrageous attack in Venezuela on Vice President and Mrs. Nixon could not do anyone any good and seems certain to do the United States harm.

Naturally, the instantaneous American reaction to the cowardly and inexcusable assault on Mr. and Mrs. Nixon is one of anger and resentment at the gross humiliation and physical danger to which these representatives of our country were subjected in the streets of Caracas. But emotional impulses are no guiding lines for the conduct of a great nation's foreign policy; and the well-advertised airborne troop movement Tuesday afternoon had all the earmarks of just such a response.

President Eisenhower explained the decision at his press conference: "We knew nothing of the facts. We could get no reports from the outside, * * * and not knowing what was happening, and not knowing whether the [Venezuelan] Government might not want some aid from us, we simply put it at places where it would be available in reasonable amounts and in bases that were well within the American zone. * * * The idea was only in the case they [the Venezuelans] would want to ask it."

This is a reasonable statement, but it ignores the psychological and historical context in which our relations with Latin America must be conducted. News of United States troops moving southward conjures up in every Latin mind instant recollections of the bad old days of Intervention and of dollar diplomacy, the very things we have labored so hard for so many years to erase from Latin-American memories. The Marines—shades of Nicaragua and Haiti!—and paratroops were not going to intervene except at request of the Venezuelan Government; they did not intervene; they remained in American bases; and their whole mission was as far removed from colonialist interventionism or dollar diplomacy as it could possibly be.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 16, 1958
For actions of July 15, 1958
85th-2d, No. 118

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HIGHLIGHTS: Senate committee reported trade agreements extension bill. Sen. Johnson announced delay in debate on farm bill. House committee reported bill to amend Federal Seed Act. Both Houses received President's message for study of Fed.-pay systems. House subcommittee tentatively agreed to amendments to Packers-Stockyards bill.

HOUSE

1. SEED MARKETING. The Agriculture Committee reported without amendment S. 1939, to make various amendments to the Federal Seed Act regarding labeling requirements (H. Rept. 2160). p. 12649
2. MEATPACKERS. The "Daily Digest" states that the Livestock and Feed Grains Subcommittee of the Agriculture Committee "met in executive session and tentatively agreed on certain amendments to H. R. 9020, the packers and stockyards bill." p. D681
3. FEDERAL-STATE RELATIONS. Began debate on H. R. 3, to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. pp. 12607-627
4. EDUCATION. The Education and Labor Committee reported without amendment H. R. 13247, to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical needs (H. Rept. 2157). p. 12649

5. DESERT-LAND ENTRIES. A subcommittee of the Interior and Insular Affairs Committee ordered reported with amendment S. 359, to permit desert-land entries on disconnected tracts of lands which, in the case of any 1 entryman, form a compact unit and do not exceed in the aggregate 320 acres. p. D682
6. PUBLIC LANDS. A subcommittee of the Interior and Insular Affairs Committee ordered reported S. 3569, to authorize the Secretary of the Interior to exchange Federal lands for certain lands owned by Utah. p. D682
7. WATER POLLUTION. A subcommittee of the Public Works Committee ordered reported with amendment H. R. 11714, to amend the Federal Water Pollution Act so as to increase the limitation on certain grants for construction from \$250,000 to \$500,000. p. D682
8. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee ordered reported H. R. 1168, to clarify the application of Sec. 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain employees in cases involving downgrading actions. p. D682
Both Houses received from the President a message recommending establishment of a Joint Commission on the Civilian Employee Compensation Policy of the Federal Government to study all compensation systems in the three branches of the Federal Government and to report thereon before Jan. 1, 1960. pp. 12562, 12600-01
9. APPROPRIATIONS. Conferees were appointed on H. R. 12858, the public works appropriations bill for 1959. Senate conferees have not yet been appointed. pp. 12601-02
10. PUBLIC WORKS. The Judiciary Committee tabled H. R. 9374, to require bonds for certain public works construction contracts. p. D682
11. SMALL BUSINESS. The Ways and Means Committee ordered reported H. R. 13382, the proposed Small Business Tax Revision Act of 1959. p. D683
12. AREA REDEVELOPMENT. Rep. Van Zandt urged that a rule be requested and granted immediately on S. 3683, the area redevelopment bill, so that the legislation may be considered during this session of Congress. p. 12702
13. FORESTRY. Received from the Comptroller General a report on the review of activities of region 6 of the Forest Service. p. 12649

SENATE

14. TRADE AGREEMENTS. The Finance Committee reported with amendments H. R. 12591, to amend and extend the Reciprocal Trade Agreements Act (S. Rept. 1838). pp. 12533-5
Sen. Douglas read a list of the 48 industries which have applied for escape clause investigation in the last 10 years, concluded that "the list indicates that the reciprocal-trade program has not done much damage to American industry," and inserted a statement by the American Ass'n of Hardwood Plywood Users. pp. 12538-9
On July 10, Sen. Kennedy submitted (for himself and Sens. Humphrey, Douglas, Javits, and Neuberger) an amendment to H. R. 12591, to extend the Trade Agreements Act. The amendment would add a Title II, to establish a Trade Adjustment Board which would aid communities, industries, enterprises and individuals in

Late Report: The Committee on Ways and Means was granted permission to file by midnight Wednesday a report with minority views on H. R. 13382, to amend the Internal Revenue Code of 1954 to provide tax revision for small business.

Page 12607

Preemption Interpretation: By a record vote of 268 yeas to 114 nays the House adopted H. Res. 597, the rule providing for the consideration of, and 6 hours of debate on, H. R. 3, to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. After consuming 1 hour and 51 minutes of the time allotted for debate the House deferred further consideration of the bill to Wednesday.

Pages 12607-12627

President's Message—Lebanon: Received and read a message from the President relative to sending of U. S. Marines into Lebanon and request for United Nations action. The message was referred to the Committee on Foreign Affairs and ordered printed as a House document (H. Doc. 422).

Page 12628

Bill Referred: S. 3880, to establish an independent Federal Aviation Agency to regulate effectively the uses of airspace over the U. S., was referred to the Committee on Interstate and Foreign Commerce.

Page 12649

Program for Wednesday: Adjourned at 5:01 p. m. until Wednesday, July 16, at 12 o'clock noon, when the House will act on the conference report on H. R. 12575, to provide for research into problems of flight within and outside the earth's atmosphere, and continue the consideration of H. R. 3, to establish rules of interpretation governing questions of the effects of acts of Congress on State laws.

Committee Meetings

MEAT PACKING

Committee on Agriculture: Subcommittee on Livestock and Feed Grains met in executive session and tentatively agreed on certain amendments to H. R. 9020, the packers and stockyards bill. The subcommittee adjourned subject to call of the Chair.

ARMED SERVICES MISCELLANY

Committee on Armed Services: Full committee met and ordered favorably reported to the House the following bills and resolution:

H. R. 9673, to provide the conditions under which retired pay may be paid in the case of retired officers dropped from the rolls;

H. R. 9721, to provide for the payment of transportation expenses of certain survivors of deceased servicemen to attend group burials in national cemeteries;

H. R. 13226, to provide more flexibility in making additional appointments to bring the number of cadets at the United States Military Academy and the United States Air Force Academy up to full strength;

H. R. 13265, to authorize an appropriation to the Corregidor-Bataan Memorial Commission;

H. R. 13366, a private bill;

H. R. 13373, to increase the rate on which lump-sum readjustment payments are computed for Reserves of the Armed Forces;

H. R. 13374, to provide for the retention of deferment or exemption upon change of membership in a Reserve component, Army National Guard or Air National Guard; and

H. Con. Res. 333, regarding Army National Guard strength.

H. R. 11742, regarding Board of Visitors to U. S. Military Academies, was considered and tabled; also the committee approved various real estate projects.

HOUSING

Committee on Banking and Currency: Subcommittee on Housing continued hearings on general housing legislation and heard Mayor Robert F. Wagner, of New York City, Mayor Louis C. Mariani, of Detroit, and P. Kenneth Peterson, mayor of Minneapolis. Various other public witnesses were heard, and the committee recessed until Wednesday.

LABOR LEGISLATION

Committee on Education and Labor: Subcommittee on Labor Management Relations held hearings on general labor legislation and heard Joseph F. Finnegan, Director, Federal Mediation and Conciliation Service. Hearings continue Wednesday.

LABOR STANDARDS

Committee on Education and Labor: Subcommittee on Labor Standards heard Clarence E. Linquist, Administrator, Wage and Hour and Public Contracts Division, Department of Labor, on fair labor standards matters. Hearings continue Wednesday.

DEVELOPMENT—FEDERAL GOVERNMENT

Committee on Government Operations: Subcommittee on Executive and Legislative Reorganization held a hearing regarding research and development in the Federal Government. Testimony was heard from Richard E. Horner, Assistant Secretary of the Air Force. Hearings continue Thursday.

ROCKET-LAUNCHER PROCUREMENT

Committee on Government Operations: Subcommittee on Military Operations held hearings on procurement of airborne expendable rocket launchers and heard Maj. Gen. W. T. Thurman and various other Air Force witnesses. Subcommittee adjourned subject to call of the Chair.

OLIVER-HALE CONTEST

Committee on House Administration: The Subcommittee on Elections continued inspection of ballots in

the Oliver-Hale contested election case. The meeting will continue Wednesday.

PUBLIC LANDS BILLS

Committee on Interior and Insular Affairs: Subcommittee on Public Lands ordered reported favorable to the full committee the following bills:

H. R. 7403, to authorize the Secretary of the Interior to acquire certain land for the Deshler-Morris House, Independence National Historical Park;

H. R. 11009 (amended), to provide for the establishment of Grand Portage National Monument, Minn.;

S. 359 (amended), to permit desert-land entries on disconnected tracts of lands which, in the case of any 1 entryman, form a compact unit and do not exceed in the aggregate 320 acres; and

S. 3569, to authorize the Secretary of the Interior to exchange certain Federal lands for certain lands owned by the State of Utah.

Representative Scott of Pennsylvania was heard on H. R. 7403. Also heard testimony on H. R. 1145 and S. 77, bills to establish the Chesapeake and Ohio Canal National Historical Park and to provide for the administration and maintenance of a parkway in the State of Maryland. The subcommittee adjourned subject to call of the Chair.

AGENCY INVESTIGATION

Committee on Interstate and Foreign Commerce: Subcommittee on Legislative Oversight continued hearings relative to investigation of Federal regulatory agencies and heard various public witnesses. Hearings continue Wednesday.

EDUCATIONAL TELEVISION

Committee on Interstate and Foreign Commerce: The Subcommittee on Transportation and Communication held hearings on S. 2119, to expedite the use of educational television facilities and heard Representatives Boggs and Udall. Also heard a member of the FCC and various public witnesses. Hearings continue Wednesday.

JUDICIARY MISCELLANY

Committee on the Judiciary: Met in executive session and ordered reported to the House the following bills and resolution:

H. R. 12217 (amended), to amend paragraph (2) of subdivision (c) of section 77 of the Bankruptcy Act;

H. R. 12894 (amended), to authorize the making, amendment, and modification of contracts to facilitate the national defense;

H. R. 13378, to facilitate the naturalization of adopted children and spouses of certain United States citizens performing religious duties abroad; and

H. J. Res. 557 (amended), relating to Civil War Centennial Commission.

The committee tabled H. R. 8808 and H. R. 9374, bills to require bonds for certain public works construction contracts.

VESSEL CONSTRUCTION

Committee on Merchant Marine and Fisheries: Special Subcommittee on Operation of Vessel Trade-out Policy held further hearings inquiring into the recent default by Victory Carriers, Inc., under a contract for the building of three large tankers for American-flag operation. The committee heard George Doub, Assistant Attorney General, and adjourned subject to call of the Chair.

CLASSIFICATION ACT

Committee on Post Office and Civil Service: Subcommittee on Postal Operations held hearings on H. R. 1168, to clarify the application of section 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain officers or employees in cases involving downgrading actions and ordered the bill reported favorably to the full committee. Various Government witnesses were heard and the subcommittee adjourned subject to call of the Chair.

LONGEVITY GRADES

Committee on Post Office and Civil Service: The Lesinski subcommittee held hearings on H. R. 6460, to provide uniform longevity grades for the postal field service and ordered a clean bill on this subject, H. R. 13404, reported to the full committee. Testimony was heard from Representative McFall, post office employees, and employee group representatives. The committee meets again on Wednesday.

PUBLIC WORKS MISCELLANY

Committee on Public Works: Subcommittee on Rivers and Harbors met in executive session and ordered the following bills reported favorably to the full committee:

H. R. 11714 (amended), to amend Federal Water Pollution Control Act;

H. R. 8160, authorizing a survey of the Tensaw River, Ala.;

H. R. 9173, to provide for the conveyance of a pumping station;

H. R. 9529, to provide for a survey of the Coosawhatchie and Broad Rivers in South Carolina;

H. R. 10207, authorizing the modification of the Crisfield Harbor, Md.;

H. R. 9983 (amended), a private bill;

H. R. 13342, to provide for a survey of Parish Line Canal;

H. R. 11248, regarding bridge across the Mississippi River at or near Rock Island, Ill.;

H. R. 12216, relating to the Cordell Hull Dam and Reservoir;

H. R. 12527, relating to the procedure for altering certain bridges;

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 13, 1958
For actions of August 12, 1958
85th-2d, No. 138

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HIGHLIGHTS: House passed packers and stockyards bill. Senate committee ordered reported supplemental appropriation bill. House Rules Committee cleared area redevelopment bill. House received conference reports on: Klamath Indian forest bill. Onion futures trading bill.

SENATE

1. EXCISE TAXES. Passed with amendments H. R. 7125, to make technical changes in the Federal excise tax laws. Senate conferees were appointed. pp. 15684-97, 15705-7, 15708-23, 15730-4
2. TAXATION. Passed with amendments H. R. 8381, to make technical changes in the Internal Revenue Code of 1954. Senate conferees were appointed. pp. 15728-9, 15735-57, 15759, 814
3. APPROPRIATIONS. The Appropriations Committee ordered reported with amendments H. R. 13450, the supplemental appropriation bill for 1959. p. D833
4. MINERAL CLAIMS. Concurred in the House amendment to S. 3199, to specify the period for doing annual assessment work on unpatented mineral claims and suspending such work for the year ending July 1, 1958. This bill will now be sent to the President. pp. 15815-16

5. FISHERIES. The Interstate and Foreign Commerce Committee reported with amendments S. 3229, the proposed Federal Fisheries Assistance Act of 1959 (S. Rept. 2334). p. 15664
6. COTTON; RICE. Sen. Jordan's name was added as cosponsor of S. J. Res. 196, to extend for one year the minimum acreage allotments for cotton and rice with price supports from 80 to 90% of parity. p. 15672
7. TRANSPORTATION. Concurred in the House amendment to S. 377, to provide a 3-year statute of limitations on actions involving transportation of property and passengers of the Government. This bill will now be sent to the President. pp. 15683-4
8. REA. Sen. Aiken inserted the July 21 ruling of the Comptroller General and Under Secretary Morse's Aug. 7 reply, regarding the legality of loans to the Central Iowa Power Cooperative. The GAO decision would forbid loans for extension of service to persons who are actually without central station service if they are located in an area claimed to be served by a power supplier which states it is willing to serve such unserved persons. pp. 15674-80
9. SURPLUS COMMODITIES; FOREIGN AID. Sen. Humphrey inserted an article ascribing recent outbreaks in South America to poor diets, and stated that extension of Public Law 480 would help in carrying out our foreign policy in South America. pp. 15697-8
10. LEGISLATIVE PROGRAM. S. 4237, the national defense education bill, was made the Senate's unfinished business. Sen. Johnson announced that the supplemental appropriation bill would be considered as soon as it was reported and cleared for consideration, and that later in the week he expected the Senate to consider the public debt limit increase bill, the foreign aid appropriation bill, and the renegotiation bill. pp. 15814-15

HOUSE

11. MEATPACKERS. Passed under suspension of the rules H. R. 9020, to transfer certain functions under the Packers and Stockyards Act from this Department to the Federal Trade Commission. (pp. 15634-43) Rep. Poage asked unanimous consent to take up S. 1356, a similar bill, and pass it with an amendment substituting the language of H. R. 9020 as passed. Reps. Dorn, S. C., and Harvey objected to this request. Rep. Cooley asked that the objections be withdrawn so that the bill could go to conference immediately. (p. 15643)
12. FORESTRY. Received the conference report on S. 3051, to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing alternatives for private or Federal acquisition of the part of the tribal forest that must be sold (H. Rept. 2544). (pp. 15571-72, 15560) As reported the bill provides that private purchasers of portions of the tribal forest must agree to manage them "as far as practicable according to sustained yield procedures so as to furnish a continuous supply of timber," establishes April 1, 1961, as the date on which the Secretary of Agriculture shall take title for the U. S. to any forest units which are not purchases by private companies, and retains the House amendments providing for review of the appraisal of the Klamath Tribe's resources, for deferring sale of any forest units until April 1, 1959, and for termination of the management specialists' contract.

on trumped-up arguments." General Swing fumes. "Everybody is entitled to his day in court, but these series of appeals are designed to delay deportation for years. Legislation was introduced in both Houses of Congress in 1957 which would limit deportees to one judicial review of their cases, but the measure still is in committee.

After an alien is wrapped up and tagged for return shipment abroad, the INS may run into another headache. All governments maintaining diplomatic relations with the United States honor reciprocal agreements to accept deported nationals—with the exception of the Iron Curtain countries. As a consequence, we are stuck with 2,700 undesirable characters, half of whom are criminals and moral offenders. The Russians and their satellites occasionally issue a visa to a native they have been refusing to take for several years. Although hoods hardly are secret-agent types, they get around strange places and are useful for strong-arm work. INS people suspect the visas are rewards for undercover activities.

Italy has objected frequently to the heavy load of bad eggs we have dumped on it in recent years, protesting that some of the lowest specimens are products of American society. It is a valid complaint; many deportees emigrated as young children and grew up in the slums that breed vice in our cities. Further, their respect for the law was debased by corrupt police of that era who did nothing to protect Italians, the largest foreign-born group in the country, from the systematic terrorism of the Mafia, the oldest and most powerful criminal conspiracy in the world.

The Mafia's origins go back to 1799, when wealthy landowners in Sicily hired local goon squads to guard their property during the upheaval that followed Napoleon's invasion of Italy. The gangs quickly turned on their masters and extracted huge tributes for protecting them, then formed a confederation that bled the peasants white. Within a quarter century the Mafia had Sicily under its thumb and began to branch out into the underworlds of Europe and North Africa.

The first American beachhead of the Mafia was at New Orleans in 1860. Thirty years later it tried to seize control of the town by murdering Police Chief David Hennessy. Eleven men were indicted, but an intimidated jury acquitted six. On March 14, 1891, an infuriated mob led by prominent citizens stormed a jail when 19 Italians were held, and lynched 11. The Mafia pulled in its horns and concentrated on gambling, prostitution, and backmail rackets among Italian immigrants, but prohibition brought an eruption of activity on a national scale.

Bootlegging was made to order for the Mafia's tight organization. Members owned businesses that were ideal blinds for stills. They had trucks for delivering the stuff. Above all, they had the trusted manpower for eliminating competition and hijacking rivals' shipments. Frank Costello is reputed to have made his first big score by stealing a \$700,000 cache of booze he had been hired to guard for a Chicago mobster. In 1921 the New York police attributed 150 unsolved murders and disappearances during the 2 previous years to the Mafia. Professional killers carried out their orders without fear of betrayal, for the one inflexible Mafia rule that brings certain death to violators is the omerta, the code of silence. Members have committed intramural murder, adultery, and rape, but there is not a single recorded instance of an authentic Mafiosi breaking the omerta as a stool pigeon.

The repeal of prohibition turned the wheel full circle for the Mafia, with modern refinements. Looking for a soft touch to replace bootlegging, the syndicate found it in the then-turbulent field of labor relations, a

throwback to the good old days in Sicily. The boys played both ends against the middle by muscling into firms that had hired them to suppress organized labor and, at the same time, gaining control of key spots in unions. The Senate Rackets Committee's hearings last winter gave an indication of the enormous income this double squeeze has brought the Mafia. Through the years, though, its stock in trade has been the dope traffic, which returns fantastic profits upward of 2,200,000 percent.

The retail price of opium today is \$15 a kilogram in Turkey, the Western World's chief source of narcotics for medicinal purposes since supplies were cut off from Communist China. The poppy plant is grown under the supervision of the Turkish Government for distribution to legitimate pharmaceutical outlets, but some raw opium inevitably is diverted to the black market. It is processed in Syria, then shipped to France, where a Corsican gang converts the stuff into heroin. Luciano then takes over and smuggles the dope into the United States through merchant seamen. Here the pure heroin is cut 20 to 25 times with milk and lactic sugar before the pushers sell it to addicts.

Now, then, there are 15,432 grains in a kilogram. After the heroin is cut—22 times is a conservative figure—a kilogram produces approximately 340,000 grains, and the going price to addicts is \$1 a grain. Divide \$340,000 by \$15, the original cost, and you get a profit margin of more than 2,200,000 percent.

The Mafia pays out about 10 percent of the loot to intermediaries of other nationalities to avoid gang warfare, a policy adopted in the 1920's. In America, the Mafia has collaborated with Irish, Jewish, Polish, Greek, and Mexican mobs, and it is currently lining up with Negro and Puerto Rican dope peddlers. These uneasy alliances are controlled by Sicilians who hold virtually all the seats on the grand council and consolidate their power through blood and business relationships. When I asked General Swing to trace some of these ties, he called in two veteran undercover agents to give me a first-hand briefing.

"I'll limit the list to a few conspicuous examples or you'll wind up with a roster an inch thick," one of them said. "For an opener, Lucky Luciano was the best man at Joe Adonis' wedding. You can't appreciate what a great honor that is unless you're a paesano yourself." Frank Costello and Carlos Marcello own pieces of a gambling house in New Orleans. Joe Profaci, an elder statesman, is related by marriage to Joe Magliocco, also a big wheel in Brooklyn. Johnny Dio is a nephew of James Plumeri, a ranking power in the trucking racket in New York's garment district. One of the glittering social events of our time was the marriage of John Montana's nephew to the daughter of Steve Magaddino, who runs everything in Niagara Falls but the cascades.

"The Statler Hotel in Buffalo was taken over for the affair and was decked out more lavishly than Buckingham Palace," the other man recalled. He was there as an uninvited spectator. "The guests of honor were a hundred thugs from all over the country, and for each one there were two Federal agents and detectives casing the crowd. Even Costello was there, the last time he showed up at an open Mafia clambake. He held court in the best suite in the house, and when he went down to the lobby the underlings bowed and scraped as though he was giving Christmas baskets to the peasants."

After the wedding and the Apalachin convention 11 years later, commentators criticized law-enforcement agencies for failing to give foreign-born criminals the bum's rush. Actually, the INS had been investigating for possible deportation and denaturalization action fully 60 percent of the

34 native Italians picked up at Apalachin, and it previously had exiled a score of Mafia ringleaders.

Officially there are 3 million aliens in the United States, but no one knows how many more have come in illegally. Every day dozens of stowaways and merchant seamen try to sneak in through 116 salt-water ports. In 1957 more than 10,000 deserters from ships were caught, but many inevitably got away.

Difficult as it is, the job of patrolling the Nation's boundaries is the least of the INS's headaches. After working for months to get an alien criminal dead to rights, it frequently sees cases thrown out of court on obscure technicalities and capricious rulings. Worse yet, hoods have succeeded in canceling deportation orders by getting State pardons for crimes. In recent years ex-convicts Sam Taran, Ike Saperstein, and Dom Anzalone have been granted such pardons by Minnesota, Maryland, and Pennsylvania, respectively.

Now and then, however, an INS agent gets a soul-satisfying lift that gives him the courage to carry on. An oldtimer likes to recall the deportation order he slapped on Pete Lampeses, a Greek who had been forcing girls into prostitution for 20 years.

"We were walking through the Buffalo station to get a train for New York," he says, "when Pete, a fat, repulsive hulk, suddenly dropped to his knees and began to blubber like a baby. 'You're sending me to death,' he bawled, 'I'll die in Greece.' The best part of the whole thing was that Pete still was young and he had a long time to suffer."

The SPEAKER. The question is, Will the House suspend the rules and pass the bill, as amended?

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TRADING IN UNION FUTURES IN COMMODITY EXCHANGES

Mr. POAGE submitted the following conference report and statement on the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in union futures in commodity exchanges:

CONFERENCE REPORT (H. REPT. No. 2559)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in union futures in commodity exchanges having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That (a) no contract for the sale of onions for future delivery shall be made on or subject to the rules of any board of trade in the United States. The terms used in this Act shall have the same meaning as when used in the Commodity Exchange Act.

"(b) Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof be fined not more than \$5,000.

"Sec. 2. This Act shall take effect thirty days after its enactment."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
VICTOR ANFUSO,
WILLIAM S. HILL,
SID SIMPSON,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

H. R. 376 passed the House on March 13, 1958, and was amended in the Senate by striking out all after the enacting clause and inserting different language approved by the Senate.

The essential difference between the House bill and the Senate amendment was that the bill as adopted by the House prohibited trading in onion futures by keeping onions within the jurisdiction of the Commodity Exchange Authority and applying the sanctions of the Commodity Exchange Act to enforce the ban on trading in onion futures. The Senate amendment took the opposite approach to the same objective, removed onions from the Commodity Exchange Act and the jurisdiction of the Commodity Exchange Authority, established a flat prohibition against trading in onion-futures contracts, and provided criminal penalties for the violation of that prohibition.

The amendment reported herewith combines the provisions of the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment. Its major features are:

(1) It retains onions as a commodity subject to the provisions of the Commodity Exchange Act, thus continuing the authority which the Commodity Exchange Authority has under that act to take action against anyone who shall manipulate or attempt to manipulate the price of onions in the cash market.

(2) It retains the language of the Senate amendment which makes the making of an onion-futures contract a misdemeanor and providing a criminal penalty for such a violation of the act. Thus, in the event that there should be further trading in onion futures, criminal charges could be based directly on the legislation herewith reported, instead of under the provisions of the Commodity Exchange Act.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
VICTOR ANFUSO,
WILLIAM S. HILL,
SID SIMPSON,

Managers on the Part of the House.

AMENDMENT OF PACKERS AND STOCKYARDS ACT

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9020) to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes, with amendments.

The Clerk read as follows:

Be it enacted, etc., That the Packers and Stockyards Act, 1921, as amended (42 Stat.

159, as amended; 7 U. S. C. 181 and the following), is amended as follows:

(1) By amending section 202 by inserting after the word "unlawful" the words "with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products."

(2) By amending section 406 by striking out subsection (b) and inserting in lieu thereof the following:

(b) The Federal Trade Commission shall have power and jurisdiction over any matter involving meat, meat food products, livestock products in unmanufactured form, or poultry products, which by this act is made subject to the power or jurisdiction of the Secretary, as follows:

"(1) When the Secretary in the exercise of his duties requests of the Commission that it make investigations and reports in any case.

"(2) In any investigation of, or proceeding for the prevention of, an alleged violation of any act administered by the Commission, arising out of acts or transactions involving meat, meat food products, livestock products in unmanufactured form, or poultry products, if the Commission determines that effective exercise of its power or jurisdiction with respect to retail sales of any such commodities is or will be impaired by the absence of power or jurisdiction over all acts or transactions involving such commodities in such investigation or proceeding. In order to avoid unnecessary duplication of effort by the Government and burdens upon the industry, the Commission shall notify the Secretary of such determination, the reasons therefor, and the acts or transactions involved, and shall not exercise power or jurisdiction with regard to acts or transactions (other than retail sales) involving such commodities if the Secretary within 10 days from the date of receipt of the notice notifies the Commission that there is pending in his Department an investigation of, or proceeding for the prevention of an alleged violation of this act involving the same subject matter.

"(3) Over all transactions in commerce in margarine or oleomargarine and over retail sales of meat, meat food products, livestock products in unmanufactured form, and poultry products.

"(c) The Federal Trade Commission shall have no power or jurisdiction over any matter which by this act is made subject to the jurisdiction of the Secretary, except as provided in subsection (b) of this section.

"(d) The Secretary of Agriculture shall exercise power or jurisdiction over oleomargarine or retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products only when he determines, in any investigation of, or any proceeding for the prevention of, an alleged violation of this act, that such action is necessary to avoid impairment of his power or jurisdiction over acts or transactions involving livestock, meat, meat food products, livestock products in unmanufactured form, poultry or poultry products, other than retail sales thereof. In order to avoid unnecessary duplication of effort by the Government and burdens upon the industry, the Secretary shall notify the Federal Trade Commission of such determination, the reasons therefor, and the acts or transactions involved, and shall not exercise power or jurisdiction with respect to acts or transactions involving oleomargarine or retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products if the Commission within 10 days from the date of receipt of such notice notifies the Secretary that there is pending in the Commission an investigation of, or proceeding for the prevention of, an alleged violation of any act administered by the Commission involving the same subject matter.

"(e) The Secretary of Agriculture and the Federal Trade Commission shall include in their respective annual reports information with respect to the administration of subsections (b) and (d) of this section."

SEC. 2. Said act is further amended—

(1) by striking out the words "at a stockyard" from sections 301 (c) and 301 (d);

(2) by striking out the last sentence of section 302 (a): "provided, however, That nothing herein shall be deemed a definition of the term 'public stockyards' as used in section 15 (5) of the Interstate Commerce Act."

(3) by inserting after the first sentence in section 303 the following sentence: "Every other person operating as a market agency or dealer as defined in section 301 of the act may be required to register in such manner as the Secretary may prescribe.";

(4) by amending section 311 by striking out the words "stockyard owner or market agency" wherever they occur and inserting "stockyard owner, market agency, or dealer" and by striking out "stockyard owners or market agencies" and inserting "stockyard owners, market agencies, or dealers";

(5) by striking out the words "at a stockyard" from section 312 (a).

SEC. 3. Subsection 6 of section 5 (a) of the Federal Trade Commission Act (15 U. S. C. 45 (a) (6)) is amended by striking out "persons, partnerships or corporations subject to the Packers and Stockyards Act, 1921, except as provided in section 406 (b) of said act", and substituting therefor the following: "persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act, 1921, as amended, except as provided in section 406 (b) of said act."

SEC. 4. Section 407 of the Packers and Stockyards Act, 1921, as amended, is amended (1) by inserting "(a)" immediately after "Sec. 407." and (2) by adding at the end thereof the following new subsection:

"(b) The Secretary shall maintain within the Department of Agriculture a separate enforcement unit to administer and enforce title II of this act."

The SPEAKER. Is a second demanded?

Mr. THOMPSON of Wyoming. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. POAGE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker and Members of the House, this bill originates as the result of a decision of the Federal Trade Commission about a year or two years ago in the Food Fair case. The Food Fair is a chain of supermarkets. It was formally under the control of the Federal Trade Commission, but under the existing packers and stockyards act, any institution or individual that owns or controls or even owns stock in a packing house becomes a packer under the law and the control of the institution so far as fair trade practices and so forth then vests in the Department of Agriculture and the Federal Trade Commission loses jurisdiction. Having tested that successfully in the case of Food Fair, a great many of our grocery chains have within the past year adopted this method of escaping control at the hands of the Federal Trade Commission. I believe there are some 15 at the present time of the national chains that have bought an interest in a packing house so as to avoid control by the Federal Trade Com-

mission. I think everyone recognizes and agrees that that is a bad practice. When we passed the Packers and Stockyards Act back in 1921, nobody dreamed it would be used in such a manner. Of course, we did not have chain stores at that time.

Therefore, there is general agreement that we should pass legislation which would keep these grocery institutions or other chain merchandising institutions under the control of the Federal Trade Commission. It was with that in mind that this bill was originally introduced. The bill amends the Packers and Stockyards Act because the Packers and Stockyards Act is the instrumentality under which they are escaping control. But the bill that is before you was intended primarily to cure the specific evils that we see and not to reform a great many other things that some people think might well be reformed at some time in the future.

The bill does do something more than simply stop this loophole. For instance, the old Packers and Stockyards Act left the jurisdiction over small stockyards in the Federal Trade Commission. That seems to be a rather ridiculous thing, but it is simply a holdover. So this bill places control over all stockyards regardless of size under the Department of Agriculture along with all of the operations in packing houses as far as they relate to slaughtering and packing of meat and the wholesale of meat and meat products. But, when packers engage in other businesses, as they have, this bill places the control of that other business under the Federal Trade Commission. For instance, the sporting goods business. One of our large packers is probably the largest of the sporting goods dealers and this bill places that sporting goods business under the Federal Trade Commission. The bill also moves out of the jurisdiction of the Department of Agriculture, control over oleomargarine, milk, and milk products which bear no real relation to the packing houses. But, it keeps all of the control over the packing houses or the slaughtering and processing of meat and the wholesaling of that meat and meat products in the hands of the Secretary of Agriculture. Then it places in the hands of the Federal Trade Commission control over the retail sale of that meat.

Let us now consider the amendments which were offered. These amendments actually are amendments suggested by the Committee on Interstate and Foreign Commerce. That committee also studied this matter at considerable length, and that committee and the Committee on Agriculture are in agreement that those amendments should go in this bill. We believe they greatly strengthen the bill that was originally presented to the House.

Under those amendments if the Federal Trade Commission has actually instituted a proceeding against somebody and is acting on an alleged violation and is following it, a violation which they might find at the retail level, they may follow it clear back through the wholesale, packinghouse and even to the feed lot if necessary.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Speaker, I yield myself 5 additional minutes.

They may follow it clear back through the feed lots, carrying out such investigations as may be necessary to carry on their prosecution of the alleged violation.

There is the provision that to do this they must notify the Secretary of Agriculture, and he must within 10 days tell them either that he will conduct the investigation or they may proceed with it. Thus there can be no stoppage of a complete review and investigation of any of the activities in connection with an alleged violation whether it originates at the retail level or any other level.

We believe that gives us the best division of powers and the most effective method of enforcing those powers of any of the plans suggested. The Committee on Agriculture is firm in its belief that the Department of Agriculture should control those activities which are essentially agricultural in nature. The livestock business is the largest of all of the agricultural undertakings and the growing and processing of meat is therefore among the most important of the agricultural activities. We believe that the Department of Agriculture should supervise those activities.

We recognize that the sale of food products, and all other products on the public market is the responsibility of the Federal Trade Commission; and under this bill the Federal Trade Commission has that jurisdiction and may follow back just as far as they need to.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from West Virginia.

Mr. BAILEY. The present Stockyards Act comes under the regulation of the Federal Trade Commission. The gentleman's legislation proposes to transfer that to the Department of Agriculture. Under existing law if a livestock market, for instance, is less than 20,000 square feet in area it is exempt from the regulations. There is no exemption contained in the gentleman's bill.

Mr. POAGE. That is right.

Mr. BAILEY. They would come under the regulation of the Commissioner of Agriculture. Just what regulation does the Commissioner of Agriculture intend to impose? I see you include poultry in there, slaughterhouses for poultry.

Mr. POAGE. What?

Mr. BAILEY. Yes, it is in there.

Mr. POAGE. We do what?

Mr. BAILEY. There is language in there about that.

Mr. POAGE. I do not understand what the gentleman says we have in there.

Mr. BAILEY. I said you also not only regulate slaughterhouses but you consider a market a slaughterhouse, that you had in this bill an amendment proposing certain regulations. Would you mind explaining what you propose to do?

Mr. POAGE. I think I can well explain it to the gentleman.

Mr. BAILEY. These little stockyard people are not satisfied.

Mr. POAGE. I think I understand what the gentleman is asking about, and I think the answer is that the same rule would apply to the stockyard that had 19,000 square feet of area as would apply to one that had 21,000 square feet of area. I think that is all that is involved.

The stockyard that has 21,000 square feet of area must post bonds for square dealing with the public and if, perchance, it takes your money under false pretenses then you have some recourse through the Department of Agriculture. You have none today affecting stockyards of less than 20,000 square feet area.

Mr. BAILEY. Mr. Speaker, will the gentleman yield for a further question?

Mr. POAGE. I yield.

Mr. BAILEY. Why would you take a little farm livestock market in a certain area—and we have 10 or 12 of them in my State of West Virginia—why would you declare them to be slaughterhouses?

Mr. POAGE. We do not declare them slaughterhouses. The Packers and Stockyards Act controls stockyards, just as it says, as well as slaughterhouses. The country stockyards, which have become the largest single instrumentality in selling livestock in the United States, are under this bill and subject to the same uniform control.

Mr. BAILEY. Is it not true you are trying to get control of about 40 percent of those sales that are now made independent of the Federal Trade Commission?

Mr. POAGE. I do not know the percentage, but it is certainly true that this bill would establish control over the small stockyards just the same as the large ones.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Speaker, I yield myself 3 additional minutes.

Mr. MACK of Illinois. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. MACK of Illinois. The gentleman stated a few minutes ago that these amendments which he has so well explained were suggested by the Committee on Interstate and Foreign Commerce. That was not my understanding. My understanding is they were worked out with the chairman of the Committee on Interstate and Foreign Commerce as a compromise between two proposals that had been made up to that time.

Mr. POAGE. I am glad to have the gentleman's understanding on that. I was not present in the Committee on Interstate and Foreign Commerce, and I do not want to take any issue with the gentleman.

Mr. MACK of Illinois. My understanding is that this is an agreement that was worked out, that it was not a proposal of the Committee on Interstate and Foreign Commerce.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Arkansas.

Mr. HARRIS. In view of the statement just made, the RECORD ought to show what the facts are. The gentleman's distinguished Committee on Agri-

culture reported a bill, the Committee on Interstate and Foreign Commerce reported a bill after hearing by a joint committee from the distinguished Committee on the Judiciary and our committee. Those two bills were before the Rules Committee. It was from the bill reported by the Committee on Interstate and Foreign Commerce and the bill from the gentleman's committee, with suggestions made by certain others who were interested, that these amendments were worked out, proposed, and agreed to by the gentleman on behalf of his committee and by myself on behalf of my committee.

Mr. POAGE. That is correct.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The gentleman indicated in his statement previously that the Department of Agriculture under the Stockyards Act would have charge of and control of the processing of meat. Would he explain to the House, when does the Secretary of Agriculture lose control of the processing of this meat, or does he follow that all the way through to the wholesale counter?

Mr. POAGE. Under the amendments which have been proposed he loses jurisdiction when the meat or meat product is sold to a retailer.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. CELLER. Am I correct in saying this bill gives to the Federal Trade Commission supervision over meats sold at retail?

Mr. POAGE. It does, and the amendments I referred to make that an exclusive jurisdiction.

Mr. CELLER. The Senate version of the bill goes a bit further and gives the Federal Trade Commission supervision over meats sold at retail as well as wholesale?

Mr. POAGE. That is correct.

Mr. CELLER. I do not know what the gentleman would do or would not do in conference, but would the gentleman care to indicate what would happen in conference under those circumstances?

Mr. POAGE. I have no idea what will happen in conference, except I can assure the gentleman that the representatives of the House will try to sustain the position of the House.

Mr. HARRIS. In order that there may be no misunderstanding, I think the Senate bill referred to by the distinguished gentleman from New York, one of the authors of the bill, originally came before our committee and gives dual supervision and administration between the Department of Agriculture and the Federal Trade Commission?

Mr. POAGE. At the wholesale level.

Mr. HARRIS. At the wholesale level.

Mr. THOMSON of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, we had no difficulty with this legislation after we had worked out our problems as between the Committee on Interstate and For-

eign Commerce and the Committee on the Judiciary. So we bring this very difficult legal bill to you this afternoon with the complete and total cooperation of these three committees. Far be it from me, a farmer, such as I am most of the time, to discuss the very technical, legal aspects of this piece of legislation. I am sure the attorneys on our committee as well as on the other committees will be glad to satisfy you as to how this bill will operate.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter or two from those folks in my area who are very much interested in this bill from several angles and who desire its passage at the very earliest moment.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, the Packers and Stockyards Act was enacted by Congress in 1921. The primary purpose of this act is to assure fair competition and fair trade practices in livestock marketing and in the meatpacking industry. The objective is to safeguard farmers and ranchers against receiving less than the true market value of their livestock and to protect consumers against unfair business practices in the marketing of meats, poultry, etc. Protection is also provided to members of the livestock marketing and meat industries from unfair, deceptive, unjustly discriminatory, and monopolistic practices of competitors, large or small.

Three general areas of regulation are encompassed by the act. The regulation of packers is provided for in title II. Title III provides for the regulation of stockyards posted under the act (operating in interstate commerce and having an area of 20,000 square feet or more) and of market agencies and dealers operating at such stockyards. Title V provides for the regulation of live-poultry dealers and handlers at cities or places that may be designated under the act. The other titles of the act, title I and title IV, cover definitions and general provisions.

Stockyard owners and market agencies are required to furnish reasonable stockyard services without discrimination and to charge reasonable and nondiscriminatory rates. Stockyard owners and market agencies are also required by the act to file with the Secretary, schedules of their rates and charges and of any changes that may be made in them. These rates and charges are subject to review by the Secretary and if found to be unreasonable the Secretary may fix ones that are reasonable.

Meatpackers, commission men, dealers, and stockyard operators are required by the act to keep such books and records as fully and correctly disclose all their transactions. Such books and records are required to be made available to authorized representatives of the Secretary for such examination and copying as may be deemed necessary. Provisions made in the act for filing such reports as the Secretary may require and for the issuance of subpoenas to compel production of such books and

records and for the giving of testimony by witnesses.

Under the act, commission men and dealers found to be violating its provisions may be suspended from doing business. Among the various enforcement provisions, the act also provides for the issuance, after formal hearings, of cease and desist orders against meatpackers and all other persons subject to it.

The letters I referred to are as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 29, 1958.

Hon. WILLIAM S. HILL,
United States House of Representatives,
Washington, D. C.

DEAR BILL: We support the principles of H. R. 9020 and believe it provides a sound basis of the regulation of livestock marketing and the trade practices of the meatpacking industry.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

COLORADO CATTLE FEEDERS ASSOCIATION,
Denver, Colo., February 12, 1958.

The Honorable WILLIAM S. HILL,
United States Congressman,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN HILL: This letter is in regard to the enclosed resolution which was adopted by the Colorado Cattle Feeders Association at our annual meeting on February 6, 1958. The resolution refers to the Packers and Stockyards Act of 1921.

I should like to give you some of the more important reasons why we feel that you should pass the Cooley-Hill bill, H. R. 9020. As you know, jurisdiction of livestock transactions under the old Packers and Stockyards Act is limited to federally inspected yards. In theory all livestock transactions off a central market or posted market come under the Federal Trade Commission. Actually transactions of this nature have had no Federal supervision. H. R. 9020 brings the Packers and Stockyards Act up to date by extending the jurisdiction of the Packers and Stockyards Administration to all livestock transactions. I do not believe that the Watkins-O'Mahoney bill does anything to clarify this jurisdiction.

We feel that the Packers and Stockyards Administration in its routine supervision of stockyards and auctions, would be more capable of picking up packer violations with its personnel that are trained, than would the FTC. If it assumed jurisdiction over packer investigations, the FTC would have to train specialized investigators that would have to duplicate work concurrently being done by the Packers and Stockyards Administration under title III of the act. The Federal Trade Commission has estimated that they would require \$4 million to adequately administer title II, whereas the Packers and Stockyards Administration has requested one-half million for this work.

We believe H. R. 9020 adequately resolves the question of jurisdiction over retail channels, in that it gives concurrent jurisdiction to both the Packer and Stockyards Administration and to the FTC. Either administration that feels the necessity, may extend the scope of its investigatory powers into the retail channels where livestock products are sold.

The House Agriculture Committee has explained this in an erudite form in report No. 1048 of the 1st session of the 85th Congress. If there is any criticism of H. R. 9020, it would be because there is no provision requiring the Secretary of Agriculture to make the Packers and Stockyards Administration

independent of the livestock division where it has been subordinated so long.

We urge your support in this all-important legislation.

Respectfully yours,

LOUIS F. BEIN,
President.

DENVER LIVE STOCK EXCHANGE,
Denver, Colo., July 28, 1958.

The Honorable WILLIAM S. HILL,
House of Representatives,
Congress of the United States,
Washington, D. C.

DEAR MR. HILL: It has come to our attention that the House will consider H. R. 9020 sometime this week. Our Denver Live Stock Exchange is on record as favoring this legislation and we want to reaffirm our position at this time.

We believe that H. R. 9020, particularly in the section dealing with the regulation of country trading activities, goes a long way to assure livestock producers in the country the same protection afforded them by Federal regulation of the posted terminal and auction markets.

Similarly, we believe that some retail chains have made a mockery of effective regulation of their activities by avoiding FTC jurisdiction by placing themselves under the less rigorous authority of the Packers and Stockyards Division of the USDA. We believe that with an increasing amount of the red-meat product being sold through these channels, more effective regulation is needed. We believe that the present bill offers the best available compromise to accomplish these aims.

The members of the exchange appreciate your continuing interest in the problems of animal agriculture and assure you of any help in the passage of H. R. 9020.

Very truly yours,

JOHN O'DEA.

MANGAN-BELL Co.,
Denver, Colo., July 29, 1958.

The Honorable WILLIAM HILL,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN HILL: As a Representative from Colorado protecting Colorado businessmen engaged in the grocery business, we surely hope that you are in favor of H. R. 9020, which is a very important matter of legislation to all people engaged in the grocery business.

We certainly believe that a chaotic condition will exist if H. R. 9020 is not passed in the House.

You, of course, are well aware of the importance of this matter, and that H. R. 9020 pass during this present session of legislation, is imperative to smaller businessmen.

We will greatly appreciate your support. Thank you in advance.

Yours very truly,

CHARLES J. MANGAN.

THE DENVER UNION STOCKYARD Co.,
Denver, Colo., July 28, 1958.

The Honorable WILLIAM S. HILL,
House of Representatives,
Congress of the United States,
Washington, D. C.

DEAR BILL: It is my understanding that H. R. 9020 will come before the House probably the end of this week. The livestock industry in Colorado has already expressed its strong support, at least of the section of H. R. 9020 having to do with regulation of country buying practices by the Packers and Stockyards Division of the United States Department of Agriculture.

We have written you earlier about malpractices in country dealing, and we cannot stress too strongly the necessity for legislation placing country dealers under regulations similar to those in effect at posted terminal and auction markets.

We would appreciate every effort you can make to get H. R. 9020 passed this session.

Sincerely,

W. C. CREW,
President and General Manager.

(Mr. THOMSON of Wyoming asked and was given permission to revise and extend his remarks.)

Mr. THOMSON of Wyoming. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, now that the additional amendments proposed by the committee have been explained, I can say it is a better bill than it was as reported. It could still be improved. Nevertheless, I urge my colleagues to vote for H. R. 9020 at this time so that it may receive the necessary two-thirds majority to pass under suspension of the rules. I do so because I think that it is imperative that we get legislation on this subject in this session, and I think that this procedure is now our only possibility of accomplishing that objective.

Actually, I strongly favor the provisions of the Senate bill, S. 1356, and when the bill is advanced to conference I hope the conferees can agree upon a bill which will carry out the essential features of that legislation. I rather expect that that will be possible, for when this legislation was considered on July 15 by a subcommittee of the House Agriculture Committee, a compromise proposal which included the essential feature of the Senate bill was unanimously agreed to. Two days later, however, for reasons unknown to me, by a vote of 16 to 8 the full Committee on Agriculture rejected the subcommittee amendments.

The essential feature of S. 1356 which I urge be incorporated in the conference report, is to restore to the Federal Trade Commission, concurrently with the Department of Agriculture, jurisdiction over unfair and monopolistic practices in the wholesaling of meat, meat products, and so forth. H. R. 9020, now being considered by the House, would retain such jurisdiction exclusively in the Department of Agriculture.

Recently myself and 14 other Members of the House directed a letter to each Member, setting forth our reasons for supporting an amendment to H. R. 9020 to accomplish this purpose when the bill came before the House for consideration under a rule. I will not repeat the sound reasons that were advanced, as I am sure that you are all familiar with them. I believe that if such an amendment were to be presented to the House, it would receive the overwhelming approval of this body. I think it is unfortunate that the procedure under which the bill is being considered does not permit an amendment. I urge the House conferees to work out an amendment in conference which will carry out this essential proviso of at least concurrent jurisdiction in the Federal Trade Commission at the wholesale level.

This is in the best interest of the producer and the consumer and is definitely in the public interest. The Federal Trade Commission is equipped and

staffed to do this most necessary work. The Agriculture Department is not. The record of inactivity since 1921, when authority was transferred from the Federal Trade Commission to the Department of Agriculture, speaks for itself. Giving concurrent jurisdiction, as provided in the Senate bill, will permit accomplishing the mission without unnecessary and costly waste and duplication. Certainly that is in the public interest. At the same time, the Department of Agriculture will be left with the necessary authority, should a case develop in their sphere which logically carries over. The opposition to this is led by the big packers. I do not believe in blanket accusations and I make none here. I merely suggest to my colleagues that I can see no reason that this one small segment of business should be subject to different treatment than all other business. When they fight so hard to retain special consideration, it makes one wonder, to say the least. I believe the interests of the producer, the consumer, small business and the public should prevail.

I urge the passage of H. R. 9020 on suspension, and the working out of a bill which preserves the essential features of the Senate bill in conference. Preventing price fixing and other monopolistic practices is certainly a proper Federal activity. This is an area in which both the producer's and the consumer's interests, as well as small business, require effective action. This has been neglected. It is essential that the situation be corrected without delay. When we are faced with deficit spending we should avoid unnecessary duplication of effort. I hope that the conferees will keep this in mind in agreeing in conference to the amendment of this bill along the lines that I have suggested, so that we may have an effective law in this session of Congress.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Kansas.

Mr. AVERY. The gentleman probably knows, as was stated on the floor a few moments ago, that the Committee on Interstate and Foreign Commerce held joint hearings on this legislation along with the Committee on the Judiciary of the House. I would like to point out to the gentleman from Wyoming that we gave very lengthy and sincere consideration to the problems that were presented to this committee from the producers in the Western States and the Mountain State area. I might say further to the gentleman that in this is an area I believe I am personally familiar with and able to identify the problems. It seems to me that the problems that were presented to our committee would not have been corrected by the version of this bill as passed by the other body. That is why our committee took the position that there should be a compromise on these two conflicting points of view. That position was accepted by the House Agriculture Committee and has been written into the various sections of this

bill. Further, many of the problems pointed out in the gentleman's own State and in the Western Mountain States were problems of country buying and practices existing in the country not particularly under the jurisdiction of the Department of Agriculture at all. They were already under the Federal Trade Commission, and had the Federal Trade Commission been of the opinion that they should pursue those problems they already had jurisdiction. This bill I think rightfully transfers them to the Department of Agriculture so that those problems may be corrected if that is found necessary.

I do want to say that the problems in the Western States, I feel, were given very full, lengthy, and serious consideration by the committee. We were not taking an arbitrary position as opposed to what they felt would be in their best interests.

Mr. THOMSON of Wyoming. I appreciate the help of the gentleman from Kansas [Mr. AVERY]. I know he is qualified by experience and is sincerely interested in this problem. We are fortunate to have such an able man with such a fine agricultural background as a member of the the Committee on Interstate and Foreign Commerce. I would say that taking care of this question of country buying, as the House committee has, is helpful. That is an improvement. But I would further say to the gentleman, that very careful consideration has been given to this by the Wyoming Stock Growers Association, the Wyoming Wool Growers in the State that I have the honor to represent, the National Wool Growers Association, and many other organizations down the line, both at State and national level, and we are convinced that it is in the best interests of the grower, the small-business man, the consumer and in the best interests of the public, that we have this concurrent jurisdiction.

A list of organizations on record as favoring concurrent jurisdiction includes: the National Grange, National Wool Growers Association, National Milk Producers Federation, National Farmers Union, National Farmers Organization, American National Livestock Auction Association, River Markets Livestock Group, Iowa Swine Producers Association, Kansas Ice Cream and Milk Institute, Inc., Pure Milk Association, Georgia Dairy Association, Inc., Montana Cattlemen's Association, Utah Cattlemen's Association, Wyoming Stock Growers Association, Idaho Wool Growers Association, Nevada Cattlemen's Association, Utah Wool Growers Association, Wyoming Wool Growers Association, Utah Farm Bureau Federation, Nevada Farm Bureau Federation, National Renderers Association, National Fisheries Institute, National Preservers Association, Western States Meat Packers Association, Inc., Washington State Meat Packers Association, Metropolitan Slaughterers Association of New York City, United States Wholesale Grocers' Association, Inc., National American Wholesale Grocers Association, National Food Brokers Association, National Institutional

Wholesale Grocers Association, National Candy Wholesalers Association, Inc., National Association of Retail Grocers, Cooperative Food Distributors of America, National Retail Dry Goods Association, National Small Business Men's Association, Maine Retail Grocers Association, Utah Retail Grocers Association, Cooperative League of the United States of America.

(Mr. CELLER (at the request of Mr. POAGE) was given permission to extend his remarks at this point in the RECORD.)

Mr. CELLER. Mr. Speaker, I intend to vote in favor of the Agriculture Committee's bill, H. R. 9020, to amend the Packers and Stockyards Act of 1921. I shall vote for this bill, not because it includes all or even most, of what I want this bill to do. I have become convinced however that it is better than no legislation at all—and that is what we will get if we defeat this bill.

My interest in, and familiarity with, the pending meatpacker legislation is of long standing. I introduced the first bill on the subject (H. R. 5282) in the House, and the Antitrust Subcommittee, of which I am chairman, engaged in extensive hearings on meat packer bills jointly with the Commerce and Finance Subcommittee of the Interstate Commerce Committee. Hearings and committee study in both Houses of Congress have demonstrated that existing law contains serious enforcement loopholes, and that legislation restoring effective Federal supervision of the monopolistic practices resulting from unfair methods of competition in the meatpacking industry is long overdue. Although meatpacking comprises one of the largest industries in the United States, it is today virtually the only important industrial group which effectively escapes such supervision by a Federal administrative agency.

What is worse, the definition of "packer" in the present law is so broad that grocery chains and other major elements of the food industry have escaped—and are escaping—adequate Federal supervision over their unfair trade practices, by the simple expedient of acquiring a minority interest in a packing plant. The reason for this loophole in the law, I believe, is that the Packers and Stockyards Act of 1921 took enforcement of the provisions of the Federal Trade Commission Act and the Robinson-Patman Act, insofar as they affect meatpackers, away from the Federal Trade Commission and placed it in the Secretary of Agriculture.

The FTC has vast experience in enforcing Federal antitrust policy. This expertise, however, is not available against antitrust violations by meatpackers under existing law.

The Secretary of Agriculture, instead, is responsible for policing the unfair trade practices of meatpackers. Failure of the Secretary of Agriculture to enforce the trade-practice provisions of the Packers and Stockyards Act has been candidly admitted by the then Assistant Secretary of Agriculture, Mr. Earl Butz, before a Senate committee last year, when he testified: "It is quite true that

for 26 years it—title II of the act—has not been completely enforced."

But the most convincing proof of the failure of the Secretary of Agriculture to supervise the trade practices of meatpackers—and the most pernicious loophole in existing law—is reflected by the current drive of the grocery chains to qualify as "packers" under the existing law. Thus, they escape FTC jurisdiction in favor of supervision by Agriculture—which is no supervision at all.

In the Food Fair case, a supermarket grocery chain of 278 stores, with gross annual sales of \$278 million, became a "packer" through the device of acquiring a \$25-million interest in a packing plant, and thus avoided FTC jurisdiction. Even more recently, an FTC examiner held that the Giant Food Shopping Center had become a "packer" by acquiring 100 shares in Armour & Co. Thereby, it placed itself beyond the reach of the FTC. This preposterous result is a consequence of the language of the existing statute.

The eagerness with which companies are resorting to this technique to escape FTC jurisdiction can only be explained by the fact that the Secretary of Agriculture is more lenient to antitrust violators than the Commission. Manifestly, this unconscionable legal loophole must be promptly closed.

The Agriculture Committee's bill, H. R. 9020, closes this loophole by limiting the exclusive jurisdiction of the Secretary of Agriculture over packers, to cases involving livestock, meats, poultry, and related products. Chain stores engaged only incidentally in meatpacking or processing will be subject to the jurisdiction of the Secretary of Agriculture only to the extent of those incidental activities. This means that the Federal Trade Commission would supervise their trade practices in all other respects.

For this reason alone, H. R. 9020 deserves enactment. For this reason, I shall vote for the bill, although other provisions do not go far enough. H. R. 9020 splits jurisdiction over trade practices in the sale of meats, and so forth, between the two agencies. It leaves exclusive control over wholesale sales in the Department of Agriculture, while at the same time it gives exclusive control over retail transactions to the FTC. This will leave the FTC powerless to prevent monopolistic practices in the wholesale distribution of meats. I would have preferred a bill that transferred this function to the FTC, or at the very least, would have given both Agriculture and the FTC concurrent jurisdiction over wholesale sales. Nevertheless, the bill is a step in the right direction.

Mr. Speaker, the Senate has adopted a bill, S. 1356, whose provisions should strongly commend themselves to the conferees on behalf of the House, if H. R. 9020 is passed today. S. 1356 recognizes, as does H. R. 9020, the unquestioned expertness of the Secretary of Agriculture with respect to livestock transactions. Like H. R. 9020, it closes the chainstore loophole. In addition however, it avoids an unwieldy division of jurisdiction between wholesale and retail transactions by giving the two

agencies concurrent authority to supervise trade practices involving sales of meat, for a period of 3 years. Concurrent jurisdiction would give Congress a period in which to study the efforts of both agencies in this vital business.

I hope that the conferees on behalf of the House will be receptive to the arguments and views expressed by the conferees on behalf of the Senate. I believe that the solution adopted by the Senate has important advantages over the bill we are considering today.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. METCALF. Mr. Speaker, as a cosponsor of legislation to return to the Federal Trade Commission its jurisdiction over unfair trade practices in the meatpacking and related industries, I am disappointed in the bill before us today.

In the absence of a move to adopt the provisions of the bill which came over to us from the other body, I am going to vote for this bill, in the hope that the conferees will accept the Senate bill.

H. R. 9020 does throw the Federal Trade Commission—and the public interest—a bone. It does give the FTC jurisdiction over some products handled by packers. But it continues in the Department of Agriculture exclusive jurisdiction over meat and meat products, poultry and poultry products and livestock products in unmanufactured form, all at wholesale. And these items comprise the bulk of the products handled by the packers.

The Department of Agriculture has no authority to administer either the Clayton Act or the Robinson-Patman amendment. Furthermore, the enforcement provisions of the Packers and Stockyards Act relating to monopolistic acts and unfair competition were almost completely ignored for almost 37 years by the Department of Agriculture. And there is no reason to believe that that attitude will change.

In the public interest, I would have each of the agencies concerned get on with its own business—the Federal Trade Commission exercising jurisdiction over unfair trade practices, the Agriculture Department retaining responsibility for supervising agricultural markets.

Mr. HAGEN. Mr. Speaker, I will be voting to suspend the rules to accept the House Agriculture Committee version of legislation amending the Packers and Stockyards Act only because this is the only manner in which we can get any action in the House to amend said statute this session. In so voting, I am trusting that the Senate proposals for legislation in this area will prevail.

The principal difference between the Senate and House proposals is that the former gives the Federal Trade Commission some firm jurisdiction in preventing monopolistic and other unfair trade practices by packers in the whole-

saling of meat and meat products. This is the main area where such practices occur and the House bill, therefore, leaves a big gap in the enforcement of anti-monopoly and anti-unfair trade practices laws which are applied to all other types of business in interstate commerce. There is no rational justification for this failure of the House bill. The necessity for conferring jurisdiction on the Federal Trade Commission with respect to this and other areas of meatpacking activity arises from the admitted total failure of regulation by the Department of Agriculture.

The best evidence of such total failure is the mad rush of chain grocery stores to qualify as packers and thereby substitute the USDA for the watchdog FTC in the supervision of their businesses.

In point of fact, the simple, justified, and understandable method of handling this problem would be to abolish the Packers and Stockyards Act except for those sections which deal with regulation of stockyards and the other apparatus of dealing in live cattle and establishing absolute regulation of the packing business in all its other aspects with the FTC.

The Senate proposal is a compromise of this sensible action, but its provisions are deemed to be workable by the agency involved. The House proposal is a compromise which can best be described as an abortive effort to give the appearance of subjecting the meat-packing business to effective regulation. It is my feeling that if the Senate proposal does not prevail in conference, no legislation on this subject should be enacted by the Congress at this time.

Mr. Speaker, I cannot enthusiastically support this bill because it does not adequately close the loophole. To pass H. R. 9020 without amendment would be compromising with the meatpacker lobby and would be playing into the hands of the American Meat Institute which has fought for 38 years against regulation of unfair trade practices in the meatpacking industry. The American Meat Institute wants preferred treatment for meat products and this bill gives them this advantage. For this reason I prefer the bill passed by the Senate which gives concurrent jurisdiction to both the Department of Agriculture and the Federal Trade Commission.

Mr. Speaker, the Committee on Interstate and Foreign Commerce and the Judiciary Committee of the House have given much study to this problem. Early in the last session of this Congress, bills were introduced by several Members and were referred to these two committees. Early in May the two committee chairmen agreed to hold joint hearings since both committees had jurisdiction. As chairman of the Commerce and Finance Subcommittee of the House Commerce Committee, I joined with Chairman CELLER, of the Antitrust Subcommittee of the Judiciary Committee in announcing hearings on May 22, 1957. Subsequently, hearings were held on June 5, 6, and 7 and on July 31, 1957.

Both committees were in agreement that these loopholes should be closed and

in my opinion the overwhelming majority of these members wanted the regulation by the Federal Trade Commission extended to meatpackers.

Mr. Speaker, I hesitate to oppose this bill because we are in the closing days of this Congress and it is very unlikely that any legislation will be passed if this bill is defeated under suspension of the rules. I believe this bill is a step in the right direction, but it does not go far enough. I regret very much that this bill was not brought up in the usual manner, since the Rules Committee of the House granted a rule some 2 months ago. If this were brought up in the normal manner, we would have the opportunity to offer amendments which would give equal treatment to all.

Therefore, Mr. Speaker, I am supporting this bill, but I am doing so in the hope that the concurrent jurisdiction section of the Senate bill will be agreed upon in conference.

I favor the general purpose of this legislation, and along with the gentleman from New York [Mr. CELLER], was instrumental in calling this matter to the attention of our colleagues. Shortly after Mr. CELLER and I announced hearings on this general subject, a bill was introduced by one of our other colleagues and referred to the Agriculture Committee. It is the Agriculture Committee's bill which is before the House today for consideration, and while it goes in the right direction it does not fully carry out our ideas on this matter.

The purpose of this legislation is to amend the Packers and Stockyards Act of 1921 to transfer jurisdiction from the Department of Agriculture to the Federal Trade Commission on unfair trade practices by packers, as defined in the Packers and Stockyards Act with the exception of meat and meat products. This bill gives preferred treatment to these items and it is my opinion that the Federal Trade Commission should have jurisdiction over the unfair trade practices in the meatpacking industry as well.

The Department of Agriculture has failed to enforce unfair trade practices even in the meatpacking industry during the 36-year history of the Packers and Stockyards Act. During this period they have issued only eight cease-and-desist orders which have dealt with monopolistic and unfair trade practices such as restraint, price fixing, and discrimination. There have been no cease-and-desist orders issued for monopolistic or unfair trade practices by the meatpacking industry in the last 20 years. Nearly 500 pages of hearings before the joint subcommittees of the Judiciary and Interstate and Foreign Commerce committees clearly indicate that the Department of Agriculture has failed to properly enforce unfair trade practices during the last 37 years. The Department of Agriculture does not have an adequate staff trained for the purpose of enforcing unfair trade practices and would be duplicating enforcement branches already established with trained personnel in the Federal Trade Commission.

Mr. Speaker, I am informed by the Chairman of the Federal Trade Commis-

sion that they presently have 36 cases in the investigational stages which involve firms either listed as packers or claimed to be packers under the provisions of the Packers and Stockyards Act. He has also informed me that seven of the national food chainstore organizations have qualified as packers within the meaning of the Packers and Stockyards Act, and therefore, are completely exempt from the provisions of the various statutes enforced by the Federal Trade Commission.

Mr. Speaker, I am hoping that this final loophole will be closed in the conference between the House and Senate, and therefore I am supporting this legislation.

Mr. COOLEY. Mr. Speaker, the bill before the House today is good legislation. It is the result of many hours and many days of study and hearings on the part of the committees which have participated in the drafting of this legislation. Much credit for this bill must go to the gentleman from Texas [Mr. POAGE] chairman of the Livestock and Feed Grain Subcommittee of the Committee on Agriculture who has devoted a great deal of time and thought to this matter during the past two sessions of Congress.

The bill which we present to you today, with the amendments which have been unanimously adopted by the Committee on Agriculture is a modification of the Packers and Stockyards Act which was enacted into law in 1921 and has not been substantially changed since that time.

Business conditions have changed very much since that time, however. In 1921, most of the livestock marketing was done through large terminal stockyards established at important rail centers. Now, however, approximately 50 percent of all livestock is marketed through small local markets or by country buying. So the authority of the Secretary of Agriculture to protect producers in the sale of their livestock is extended by this amendment from its present limited application to large stockyards and made applicable to livestock sales and purchasing anywhere.

There were no chainstores when the Packers and Stockyards Act was enacted. There was no reason at that time to give any particular consideration to sales at retail except to be sure that meatpackers did not take advantage of retail merchants by establishing their own competitive retail outlets. In order to prevent unfair competition in this area, the act provided that any retail meat market which shared ownership in any way with a packing plant was to be considered a meatpacker and subject to all the regulations applicable to meatpackers.

With the development of the chainstore, the Department of Agriculture found itself saddled with the job of regulating trade practices of these distributors simply because they were classified as packers under the archaic definitions of this 1921 law.

The bill and the committee amendments completely take care of this situation. The entire merchandising operations of retail stores will be exclusively under the jurisdiction of the Federal Trade Commission and if the FTC finds

or has reason to believe that any retailer is engaging in unfair trade practices under the FTC Act, it can pursue its investigations and procedures throughout the entire packing industry and even back to the feedlots if the evidence indicates that the trail leads in that direction.

I think it is significant, Mr. Speaker, that this legislation has been considered by 2 committees in the House and by 2 committees in the other body and that the final product of the deliberations of all 4 of these committees is similar in character. They all follow the pattern established by the Committee on Agriculture when it reported H. R. 9020 on August 7, 1957. I say again, it is not without significance that four great committees have considered this matter and they all have come to approximately the same conclusion.

Again, I want to commend the gentleman from Texas [Mr. POAGE] and the other members of his Subcommittee on Livestock and Feed Grains for the long, hard work, and study they have put into the framing and the presentation of this bill.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. MACK].

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. MACK of Illinois. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Mr. Speaker, I would like to ask the gentleman whether or not the Federal Trade Commission approves the House bill or the Senate version?

Mr. MACK of Illinois. It is my understanding that the Federal Trade Commission strongly favors the Senate version which would provide for concurrent jurisdiction in the wholesale as well as the retail field.

Mr. DAWSON of Utah. I thank the gentleman.

(Mr. DAWSON of Utah asked and was given permission to revise and extend his remarks.)

Mr. DAWSON of Utah. Mr. Speaker, it has been erroneously reported that the Federal Trade Commission opposes concurrent jurisdiction between the Department of Agriculture and the Federal Trade Commission. Nothing could be further from the truth.

The O'Mahoney-Watkins bill passed by the Senate on May 15 was amended by the Senate Agriculture Committee to provide concurrent jurisdiction in USDA and FTC to prevent unfair competition and monopolistic acts in the wholesaling of meat and poultry. The Senate action has the unanimous approval of FTC Commissioners. In a letter dated August 7 to the Honorable LINDLEY BECKWORTH, the Chairman of the Federal Trade Commission, John W. Gwynne, wrote as follows:

The Commission does prefer S. 1356 to H. R. 9020 as it would more clearly and cleanly divide jurisdiction between the Secretary of Agriculture and the Federal Trade Commission. We can foresee no administrative difficulties with regard to the concurrent jurisdiction feature of S. 1356 and do not object to the bill on that score. A prime example of effective interagency cooperation is to be found in the activities of the Department of

Justice and the Federal Trade Commission in their respective enforcement of the overlapping Sherman Antitrust and Federal Trade Commission Acts and the Clayton Act.

Mr. Speaker, H. R. 9020 should have been brought up under the open rule granted by the Rules Committee so it could be amended to include the concurrent jurisdiction feature which was overwhelmingly adopted by the Senate on the recommendation of its Agriculture Committee.

In view of the great need to place the packers under the same degree of enforcement in FTC that applies to all other food industries the House conferees should agree to concurrent jurisdiction in the House-Senate conference. I join my colleagues in recommending that the House turn down any conference report that does not include concurrent jurisdiction in FTC and USDA over meat and poultry wholesaling.

Mr. MACK of Illinois. Mr. Speaker, I would say further that the chairman of the Federal Trade Commission sent a letter recently, I believe to the chairman of the Committee on Interstate and Foreign Commerce, stating how important he felt it was to pass this bill.

Mr. HAGEN. Mr. Speaker, will the gentleman yield?

Mr. MACK of Illinois. I yield to the gentleman from California.

Mr. HAGEN. Mr. Speaker, I would like to ask the gentleman is it not true that the Federal Trade Commission feels that they cannot properly reach unfair trade practices in the selling of meat unless they are able to go into the area of wholesaling?

Mr. MACK of Illinois. It is my understanding that the Federal Trade Commission might have difficulty getting jurisdiction in the retail area on any investigation that they might be making which would involve both wholesale and retail, and that they might under this bill be precluded from going into the wholesale area.

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

Mr. MACK of Illinois. Mr. Speaker, the reason I took this time today is that I wanted to make very certain that we understand the situation concerning these three committees involved in this legislation. There are three committees involved, the Committee on Agriculture, the Committee on Interstate and Foreign Commerce, and the Committee on the Judiciary.

The committee held joint hearings on this matter. We do have separate and different views and we are not in complete agreement, as stated by the gentleman from Colorado, but we entered into a compromise because we felt that it was very urgent that we have some kind of legislation enacted this year. That is the only reason. We are not in complete agreement on this bill, but we felt that it was absolutely necessary to have legislation passed. That is the reason, as I understand it, that the Committee on Interstate and Foreign Commerce and the Committee on the Judiciary entered into such an agreement.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MACK of Illinois. I yield to the gentleman from North Carolina.

Mr. COOLEY. We have made these efforts to reconcile our views. The gentleman is in favor of suspending the rules and passing the bill that we have before us now, as I understand it?

Mr. MACK of Illinois. I am not enthusiastic about this bill. I would vote for the bill if I were called upon to vote on it this afternoon.

Mr. COOLEY. I am not asking the gentleman whether he was enthusiastic about it, I asked him if he was in favor of sending the bill to conference.

Mr. MACK of Illinois. Yes, I am in favor of sending the bill to conference. Further I hope that in the conference the conferees will accept the Senate version.

Mr. THOMSON of Wyoming. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. Dixon].

(Mr. DIXON asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. DIXON. Mr. Speaker, my position is exactly the same as that of the gentleman from Illinois [Mr. Mack]. I am for this bill. It is a must. It does not go far enough, however, to satisfy the needs of our constituents.

I will explain first why it is a must as far as it goes. I will read from a letter by Henry Bison, Jr., General Counsel of the National Association of Retail Growers:

Recently because of a quirk in the law, the Nation's large interstate food chains, which own meatpacking plants, have been held to be outside the jurisdiction of the Federal Trade Commission.

The Federal Trade Commission has jurisdiction over all other foods.

Some 15 large food chains in the United States operating approximately 10,000 supermarkets are now exempt from Federal Trade Commission supervision.

Then he goes on to say that one food chain handling frozen fruits just recently bought \$300 worth of stock in a packing plant. Therefore, they qualify as packers and are under the jurisdiction of the United States Department of Agriculture and escape the jurisdiction of the Federal Trade Commission.

Members of the House just received a letter from the Federal Trade Commission signed by the Chairman, Mr. Gwynne, in which he said Federal Trade Commission has 36 cases of unfair trade practices that they are pursuing, and that all of them now can escape his jurisdiction because they own a little stock in a packing plant or a packing plant. They now go under the jurisdiction of the United States Department of Agriculture where there is a hopelessly inadequate staff to enforce the law.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I cannot yield now. I will yield later if I have time.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Washington.

Mr. HORAN. I want to associate myself with the remarks of the gentleman from Utah. I hope the bill is passed and that full consideration of this matter is had in conference.

Mr. DIXON. So much for the urgent need for passing this bill.

Now for the second need, namely, to improve the bill by passing the O'Mahoney-Watkins bill (S. 1356) or substituting the Senate bill in conference. That is what I hope will be done.

Now I shall tell why S. 1356, which has passed the Senate, which I wanted to offer as a substitute amendment, is a much better bill.

Let me state at the outset that the bill I introduced would give FTC supervision over all meat merchandising—once it is processed. Bills by Representatives Celler, Mack, Bentley, Berry, Hagen, Metcalf, Evins, and Holifield and the original O'Mahoney-Watkins bills all took the same position. Many of us still maintain that position but the best we can do now is to pass the Cooley bill and then hope that this bill will be strengthened in conference by inclusion of the principle of S. 1356; namely, to give FTC concurrent jurisdiction with United States Department of Agriculture over all meat merchandising. My reasons for favoring concurrent jurisdictions are as follows:

First. The United States Department of Agriculture record in enforcement of meat is no better than its enforcement against nonmeat products. I feel that since the United States Department of Agriculture is inadequately prepared for this enforcement, it would be unwise to let the situation go unsupervised while the United States Department of Agriculture is getting ready; and inasmuch as FTC has the staff, the experience, the case history and the eagerness to assume this responsibility, the least we can do is to give them concurrent jurisdiction.

Second. Consumers need protection from false and misleading advertising and from monopolistic practices just as much when they are buying meat as when they are buying any other food product.

Third. The United States Department of Agriculture already has the authority to turn back for prosecution to FTC a case which the FTC has commenced, but I have a record of 13 important cases which during the last 3 years the FTC, through lack of jurisdiction, has turned over to the United States Department of Agriculture. In all of these cases the United States Department of Agriculture has not given FTC the right to continue the prosecution.

Fourth. The meatpacking industry is highly concentrated and has tremendous economic power and monopolistic possibilities. Each of the two largest packers were reported in 1947 by the Securities Exchange Commission as having more assets than all of the independent packers in the United States combined. This high degree of economic concentration in meatpacking makes some FTC jurisdiction imperative, if small packers are to live and if the consumer is to be protected.

Fifth. Concurrent jurisdiction would be to the advantage of the consumer, the small meatpacker and the producer. I call your attention to the rapid increase in the spread between what the consumer pays and what the producer receives for his meat. By 1957 prices received by farmers had fallen more than three times as fast as prices charged consumers for meat. Farmers' returns dropped 31 percent, while meat prices dropped only 9 percent. As of April 1958, livestock prices were still 17 percent below the 1951 peak, but retail prices were 1.7 percent above 1951's high level. Obviously margins between prices received by farmers for meat, and prices paid by consumers have been widening rapidly, giving ample evidence that both the farmer and the consumer need protection.

Sixth. It has been indicated that concurrent jurisdiction would mean vast duplication of activity. This is not the case, because once either the FTC or the United States Department of Agriculture started action on a case, it would notify the other agency as stipulated in S. 1356 and the other agency would not take action.

It has been implied that there is double jeopardy. This is not the case in that only one agency would be allowed to proceed with the case.

It has been indicated that this is an innovation in Government, with unforeseeable consequences. This is the most fallacious of all, since joint jurisdiction is well established in Government practice. Several departments have jurisdiction over price discrimination, mergers, and so forth. The FTC and the Department of Justice jointly administer virtually all of the provisions of the Clayton Anti-Trust Act. The Honorable John W. Gwynne, Chairman of the Federal Trade Commission, and a former member of this House, testified, "We get along with Justice very well," demonstrating that their joint jurisdiction of the Clayton Act works most satisfactorily.

In the field of mergers FTC has recently acted on 25 cases, and the Department of Justice on 10 cases.

Furthermore, unless concurrent jurisdiction is granted in conference, there is a question about the constitutionality of an arrangement whereby the wholesale meat merchants are under one regulatory agency, administering one law, such as the FTC, and their packer competitors under another regulatory agency administering a separate and less stringent law—the United States Department of Agriculture.

This principle is now illustrated in the Blanton case. I quote from Senate Judiciary Committee report No. 704:

The Commission has also pointed out an allied problem arising out of the so-called "oleomargarine amendment" to the Federal Trade Commission Act (64 Stat. 20). When a proceeding was brought against Armour & Co. charging false and deceptive advertising of oleomargarine, a nonmeat food product, the Commission was obliged to dismiss this action because Armour was a packer and subject to the Secretary of Agriculture.

Subsequently a complaint was filed, and an order to cease and desist was issued

against the Blanton Co. under the oleomargarine amendment. Blanton has filed a petition to review and set aside this order in the Eighth Circuit Court of Appeals, contending that the amendment is unconstitutional as denying equal protection of the law, since it does not apply to Blanton's competitors who are "packers" within the meaning of the Packers and Stockyards Act.

In summary then, Mr. Speaker, I am wholeheartedly in favor of the Cooley bill and entreat my colleagues to vote for it; but in addition I hope that the conference committee will either substitute the concurrent jurisdiction provision in S. 1356 or an amendment to the Cooley bill which the Livestock and Feedgrains Subcommittee favored as follows:

The tentative agreement of the Livestock and Feed Grains Subcommittee was that all parties would support the passage of the House bill 9020 with an amendment which would extend concurrent jurisdiction to the Federal Trade Commission over meat and meat products through the wholesale level for a period of 3 years, as provided in the Senate bill; that such jurisdiction would be limited by a prohibition against institution by the Federal Trade Commission of any industrywide investigation except such as was conducted in connection with the prosecution of a specific case based upon a complaint actually filed.

The following letters support the need as I have described it.

FEDERAL TRADE COMMISSION,
Washington, August 4, 1958.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: With the 2d session of the 85th Congress rapidly drawing to a close, the Federal Trade Commission desires to call your attention to a most serious and pressing legislative problem which has been constantly increasing and which, in the absence of remedial legislation in this session, could jeopardize a substantial part of the Commission's anti-monopoly program.

As you are aware, by reason of the Packers and Stockyards Act, as amended, the Commission has been deprived of jurisdiction over those corporations which qualify as "packers" within the meaning of that act. Among the corporations so qualifying and by reason thereof completely exempt from the provisions of various statutes enforced by the Commission, are the Nation's seven leading food chainstore organizations.

In a recent examination of our records, we found that we had 36 cases in the investigational stage which involved firms either listed as packers or claimed to be packers under the provisions of the Packers and Stockyards Act.

During the last 60 days, there have been closed or recommended for closing 6 cases on the basis that the proposed respondents were packers. Four of these involved charges of price discrimination or receipt of discriminatory prices by retail grocery chains. One involved a cereal and flour manufacturer allegedly engaged in price discrimination. Another involved one of the largest fruit and vegetable canners in the United States.

Increasingly, other corporations are claiming the same exemption or are taking steps to qualify. In one litigated case a large chain recently purchased 100 shares of stock in a packing organization and immediately filed a motion for dismissal.

At present, we are investigating a buying group engaged in the purchase of frozen foods through a subsidiary which acts as a broker and collects brokerage on purchases

made for this group. We recently received a letter from the attorney representing both the buying group and the broker advising us that the buying group had purchased 10 shares of stock in one packing company and that the broker had purchased 10 shares of stock in another packing company. The total value of both purchases is less than \$300. In the letter advising us of this stock purchase, the attorney made the following statement:

"Moreover, we think it proper to advise that it is our considered legal opinion that as of this date the Federal Trade Commission has no further jurisdiction or control over either of the respective operations of (the buying group or the broker) since each is now under the jurisdiction of the Secretary of Agriculture by virtue of having become embraced under the provisions of the Packers and Stockyards Act."

In seven cases the Commission's Bureau of Litigation has returned to the Bureau of Investigation files containing a recommendation for complaint, for further investigation to determine whether the Commission has jurisdiction under the Packers and Stockyards Act. Several of these cases involve some of the Nation's largest business organizations.

The Federal Trade Commission appreciates your continued interest in the success of our work, and we earnestly hope you will do all in your power to secure passage of appropriate legislation which would avoid the frustration of a substantial segment of our antitrust laws.

By direction of the Commission.

JOHN W. GWYNNE, *Chairman.*

NATIONAL ASSOCIATION
OF RETAIL GROCERS,
Chicago, Ill., August 8, 1958.

The Honorable HENRY ALDOUS DIXON,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN DIXON: A short time ago I was talking to you about H. R. 9020 and the possibility that when it comes up on the floor for debate you might wish to make a statement explaining how important this legislation is to the community food retailers.

In order to be helpful I am offering the following comments regarding this legislation which you may wish to cover in presenting the matter during debate.

For some time the food distribution industry has been subject to a considerable amount of discriminatory practices which deprive community food retailers of competitive prices in the purchase of their merchandise. These discriminations take many forms such as secret allowances, hidden discounts, special rebates, and preferential payments. They are usually given to very large buyers, who through the exercise of their buying power, are able to extract from manufacturers numerous forms of price advantages which are not offered or given to local distributors.

Since 1914 the Federal Trade Commission has had jurisdiction over these unfair practices under the Clayton Act. Recently because of a quirk in the law, the Nation's large interstate food chains, which own meatpacking plants have been held to be outside the jurisdiction of the Federal Trade Commission. I am, of course, referring here to the Food Fair case in which the Federal Trade Commission held that this chain operating over 300 stores in the United States, is not subject to the Commission's jurisdiction with respect to unfair and discriminatory acts and practices. Some 15 large food chains in the United States operating approximately 10,000 supermarkets are now exempt from Federal Trade Commission supervision.

Trade practices in the food distribution industry today are such that, if this loophole is not closed, chaotic conditions will grow worse.

It is well recognized that discriminations and other forms of monopolistic practices are rampant within the industry at the present time. They must be stopped and stopped quickly if competition in retail distribution is to be preserved. It is for this reason that H. R. 9020 is legislation of the most vital concern to the food industry and to the public as well. The loophole in the law must be closed. We cannot afford to wait until next year or the year thereafter to correct this problem. Everyone readily admits that legislation is needed now. Certainly the conditions prevailing in the food industry are alarming, and they must be corrected through restoring the powers of the Federal Trade Commission to deal with them.

Sincerely,

HENRY BISON, Jr.,
General Counsel.

Mr. THOMSON of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Speaker, like the gentleman from Utah and others who have preceded me, I, too, favor the Senate version, S. 1356, over the bill that is now before us. However, I believe it is of the utmost importance that we do have legislation passed by the House under suspension of the rules today. I do hope in conference something more nearly approximating the Senate version of this important legislation which will provide for concurrent jurisdiction at the wholesale level between the Federal Trade Commission and the Department of Agriculture can be worked out and adopted.

At this point, Mr. Speaker, I ask permission to include in my remarks a statement explaining my dissatisfaction with the committee amendment which is being considered at the present time.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The statement is as follows:

HOT PURSUIT

The so-called hot pursuit amendment would limit jurisdiction in the Federal Trade Commission over the sales of meats, meat food products, livestock products in unmanufactured form, or poultry products to retail sales, with a provision that if the Commission were to determine that jurisdiction was required beyond the retail level in order to effectively exercise its power and jurisdiction at the retail level with respect to any commodity it should notify the Secretary of Agriculture to that effect. Then, if the Secretary of Agriculture should concur with the Federal Trade Commission in this conclusion, the Secretary could allow the Federal Trade Commission's jurisdiction to be expanded in the particular investigation or proceeding involved.

Such a provision is largely meaningless and unworkable. It still restricts the Federal Trade Commission's jurisdiction to the retail level except where jurisdiction beyond that level is required to perfect its exercise of jurisdiction at the retail level. It is difficult to envision how jurisdiction at other than the retail level would be necessary to perfect jurisdiction at the retail level. It is similarly difficult to envision the Federal Trade Commission's being able to make out a case to the satisfaction of the Secretary of Agriculture whereby the Secretary of Agriculture would give up his jurisdiction. Passage of the hot pursuit provision would be an instance of Congress not assuming its function of designating proper areas of administrative responsibility. This would not only lead to differences between administra-

tive agencies, but fails to adequately place industry on notice as to the jurisdiction to which it is subject. The Federal Trade Commission would be subject to the will of the Department of Agriculture rather than to the will of Congress. The hot pursuit provision constitutes a pretext of coming to grips with the problem of where the line between the Department of Agriculture's and the Federal Trade Commission's jurisdiction should be drawn. It does no more than draw the line at the retail level and should not be assumed by anyone to effectively grant jurisdiction to the Federal Trade Commission beyond that level.

Unfair methods of competition and false and deceptive practices are engaged in at various levels of distribution prior to the retail level with impact upon the public interest and with resultant effect upon sales at the retail level. There is no basis for the distinction proposed and it is false thinking to assume that the hot pursuit provision does away with this failing of the act.

The remedy for this shortcoming is that the House-Senate conference should agree on concurrent jurisdiction as proposed by the Senate bill.

Mr. BENTLEY. I think the situation has been well explained, Mr. Speaker, by the previous speakers. As I say, I hope the House will adopt this bill under suspension today, but I certainly want to make it very clear that personally I strongly prefer the Senate version and I hope after conference the conferees will come back to the House with something more nearly approaching the Senate version which I think is better fitted for solving the very real problem we have than the bill we have presently before us.

Mr. THOMSON of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Speaker, I rise in support of the bill, H. R. 9020. I realize there has been much misunderstanding with respect to this problem and that there has existed in the realm of the meatpacking industry a sort of no man's land and that the matter of jurisdiction has not been too clear cut. That was not the intention of the Congress, I am sure when the Packers and Stockyards Act was passed in 1921. As has been so ably pointed out, that was a development under our marketing system in subsequent years. The committee in considering this problem had to make a point of demarcation and to set out a cut-off point as between the activities and supervision of the Department of Agriculture under the Packers and Stockyards Act and the Federal Trade Commission in the normal pursuit of their duties. There has been a good deal of debate and argument here on the floor today as to whether the cut-off point was exactly the right spot or not. I think it is. It certainly seems to be the logical spot and if events in the future prove that it is not, it can be changed if conditions seem to warrant the change. Not every complaint that is voiced against this act is a good one, in my opinion. Many of the complaints have some merit. But, I believe very strongly that the bill we have before us today is the right answer to the problem and I hope it will be supported by the necessary votes to pass it under suspension of the rules today.

Mr. THOMSON of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. TEWES].

(Mr. TEWES asked and was given permission to revise and extend his remarks.)

Mr. TEWES. Mr. Speaker, all of us are in accord on the objectives of this legislation. We do not wish to see organizations legitimately under FTC claim illegitimately that they are under the Agriculture Department. An evil has been created unexpectedly and this legislation would correct it. The process of correcting it, however, is important here. I would express my view to the conferees that I am voting for this bill with the expectation that they will not recede too far from the House bill. Concurrent jurisdiction, as we all know, is a kind of legalistic jungle which could result in flouting the will both of the House and the other body.

For the purpose of clarifying the situation in my mind as well as that of some of the people I represent, I would like to ask either the distinguished chairman of the committee or the distinguished gentleman from Texas if I am correctly stating the effect of the amendments which have been offered here to the bill as it emerged from committee. As I understand there are five main changes:

First. There is a provision for what is known as "hot pursuit," which enables the Federal Trade Commission to proceed beyond the retail level.

Second. We are requiring a separate agency in the Department of Agriculture to operate in this field.

Third. We are requiring annual reports from FTC and from the Department of Agriculture concerning their work.

Fourth. We are giving exclusive jurisdiction over retail matters to the FTC; and,

Fifth. We are retaining the definition of "public stockyards" as it has heretofore been used by the Department of Agriculture rather than that of the Interstate Commerce Act. Is that correct?

Mr. POAGE. I think the gentleman has explained the amendments very well.

Mr. TEWES. I thank the gentleman.

Mr. THOMSON of Wyoming. I think it is quite clear that if this bill goes to conference serious consideration should be given to the amendments to carry out the provisions of the Senate bill which have been expressed here and that such action would meet with the approval of the House when the conference report is considered.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on suspending the rules and passing the bill as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill S. 1356, to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction

to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, and pass the bill with an amendment, as follows; to strike out all after the enacting clause of the Senate bill and insert in lieu thereof the provisions of H. R. 9020 just passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. DORN of South Carolina. Mr. Speaker, reserving the right to object, I would like to say that I think the chairman of the Committee on Agriculture and the distinguished subcommittee chairman, the gentleman from Texas, Mr. POAGE, have done a superlative job on H. R. 9020, and I wish to commend them. I think it is a good bill.

I must object to this motion in the interest of H. R. 9020.

Mr. HARVEY. I object, too, Mr. Speaker.

The SPEAKER. Objection is heard.

Mr. COOLEY. Mr. Speaker, I would ask my friend to withdraw his objection. What we are trying to do is to go to conference immediately. By substituting the House bill for the Senate bill it would go directly to conference.

The SPEAKER. Without objection House Resolution 599 will be laid on the table.

There was no objection.

RELIEF OF D. S. AND ELIZABETH LANEY—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 434)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 2647, entitled "An act for the relief of D. S. and Elizabeth Laney."

The bill would direct the Secretary of the Treasury to pay to D. S. and Elizabeth Laney, Osceola, Ark., the sum of \$2,572.80. The bill states that this sum shall be in full settlement of all claims of D. S. and Elizabeth Laney against the United States for refund of an overpayment with respect to their Federal income tax liability for the calendar year 1951.

The records of the Treasury Department disclose that the amount here involved represents a portion of the tax which the taxpayers paid on March 18, 1952, at the time they filed their joint income tax return for 1951. A field examination of the taxpayers' books and records for 1951 resulted in the assessment of a deficiency of \$2,019.48, based primarily on the inclusion in income of \$4,000 of unexplained credits to the taxpayers' personal accounts on their books. This deficiency was paid by the taxpayers on July 14, 1953.

On July 11, 1955, which date was more than 3 years after the taxpayers filed their return for 1951 and was almost 2

years after the payment of the additional deficiency, the taxpayers filed a claim for refund in the amount of \$4,592.28. At the time this claim was filed, refund of any amount paid with the original return was barred by the 3-year period of limitations prescribed by section 322 of the Internal Revenue Code of 1939. However, the 2-year period of limitations prescribed by section 322 for filing a claim for refund after the date of actual payment of an amount of tax still had 3 days to run with respect to the deficiency in tax of \$2,019.48 which had been paid on July 14, 1953.

A revenue agent's reexamination of the taxpayers' records resulted in a refund of the deficiency of \$2,019.48, plus interest, for which a timely claim had been filed.

This bill would refund to the taxpayers an amount of tax for which no timely claim for refund was filed and which constitutes an amount the correctness of which has not been verified by the Internal Revenue Service.

The record of this case does not warrant special legislative relief from the statute of limitations. The taxpayers had 3 years in which to file a claim for refund after the amount here involved had been paid. Even when, on July 14, 1953, the assessment of a deficiency in tax made obvious to the taxpayers the inadequacy of their books and records, the taxpayers still had more than a year and one-half in which to file a timely claim for refund; and the record discloses no extenuating circumstance justifying the taxpayers' failure to file a claim for refund within that period.

The granting of special relief in this case, where a refund was not claimed in the time and manner required by law, would constitute a discrimination against other taxpayers similarly situated and would create an undesirable precedent.

Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

DWIGHT D. EISENHOWER.

The WHITE HOUSE, August 12, 1958.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection the bill and the accompanying message will be referred to the Committee on the Judiciary and ordered printed.

There was no objection.

AUTHORIZING CONSTRUCTION OF NUCLEAR-POWERED ICEBREAKER—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 435)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H. R. 9196, "To authorize the construction of a nuclear-powered ice-breaking vessel for operation by the

United States Coast Guard, and for other purposes."

The estimated cost of a nuclear-powered icebreaker is \$60 million. I cannot approve expending \$60 million for the construction of such an icebreaker at this time. Neither the Navy nor the Coast Guard construction program includes any icebreakers, and placing the construction of an icebreaker arbitrarily ahead of high priority projects in the Coast Guard program would be most unwise.

Nor can the construction of a nuclear-powered icebreaker be justified as an extension of the present program of developing nuclear power for vessels. In addition to the types of atomic reactors now in service in operating submarines, we are developing advanced types for other naval vessels. We are also constructing a nuclear-powered merchant ship. No valid reason exists for increasing this extensive program at this time.

This bill, in providing for a project which is not needed, fails to take account of the present fiscal situation of the Government. A continued disregard of our budgetary problems through the institution of unneeded new programs and projects can only add to inflationary pressures to the detriment of all the people.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, August 12, 1958.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. BONNER. Mr. Speaker, I move that the bill and message be referred to the Committee on Merchant Marine and Fisheries and ordered to be printed.

The motion was agreed to.

AMENDING TITLE 18, UNITED STATES CODE, SECTION 3651

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7260) to amend title 18, United States Code, section 3651, so as to permit confinement in jail-type institutions or treatment institutions for a period not exceeding 6 months in connection with the grant of probation on a one-count indictment, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 1, strike out "except in the District of Columbia."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. KEATING. Mr. Speaker, reserving the right to object, will the gentleman explain this amendment?

Mr. CELLER. Mr. Speaker, we passed a bill to amend title 18 of the United States Code on May 6, 1958. That bill went over to the Senate. It concerned certain types of sentencing and placing prisoners on probation. We omitted having it made applicable to the District of Columbia because the National Parole and Probation Act did not apply to the District of Columbia. It would appear

however, that Public Law 85-463 made the National Parole and Probation Act applicable to the District of Columbia. Therefore, to be consistent we have to make this bill that we passed include the District of Columbia. All the amendment does is to include the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GRANTING CONSENT AND APPROVAL OF CONGRESS TO THE TENNESSEE RIVER BASIN WATER POLLUTION CONTROL COMPACT

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6701) granting the consent and approval of Congress to the Tennessee River Basin water pollution control compact, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 14, line 22, after "Commission" insert "who shall be recognized by and admitted to said Commission."

Page 16, line 3, after "office" insert "or for staff assistance for the President in connection with special projects."

Page 16, strike out lines 10 to 17, inclusive, and insert:

"Sec. 4. Any additional power or duty proposed to be conferred upon the Tennessee River Basin Water Pollution Control Commission by the party States or by the Congress of the United States under authority of article II of the compact as set forth in the first section of this act shall be one within the general authority granted by said compact and may be utilized only in furtherance of the purpose described in article I of such compact."

Page 16, after line 17, insert:

"Sec. 5. Any supplementary agreement entered into pursuant to article XI of the Tennessee River Basin water pollution control compact as set forth in the first section of this act shall be for the express purpose of controlling and reducing pollution and coordinating pollution control activities and programs in waters common to two or more of the party States, and the provisions of and procedures employed in any such supplementary agreement shall be substantially similar to and in conformity with the provisions and procedures of such compact."

Page 16, after line 17, insert:

"Sec. 6. Nothing contained in this act or in the compact herein approved shall be construed as impairing or affecting the sovereignty of the United States or any of its rights or jurisdiction in and over the area or waters which are the subject of the compact."

Page 16, line 18, strike out "5" and insert "7."

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. MCGREGOR. Mr. Speaker, reserving the right to object, will the gentleman explain these amendments?

Mr. BLATNIK. Mr. Speaker, H. R. 6701 was reported by unanimous vote of

85TH CONGRESS
2D SESSION

S. 1356

IN THE SENATE OF THE UNITED STATES

AUGUST 16, 1958

Ordered to be printed as passed

AN ACT

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (6) of section 5 (a) of the Federal
4 Trade Commission Act, as amended (66 Stat. 632; 15
5 U. S. C. 45 (a) (6)), is amended to read as follows:

6 “(6) The Commission is empowered and directed to
7 prevent persons, partnerships, or corporations, except banks,
8 common carriers subject to the Acts to regulate commerce,

1 air carriers and foreign air carriers subject to the Civil
2 Aeronautics Act of 1938 and except as provided in sec-
3 tion 406 (b) of the Packers and Stockyards Act, 1921
4 (42 Stat. 199, as amended; 7 U. S. C. 182), from using
5 unfair methods of competition in commerce and unfair or
6 deceptive acts or practices in commerce.”

7 (b) Section 406 (b) of the Packers and Stockyards
8 Act, 1921 (42 Stat. 199, as amended; 7 U. S. C. 182), is
9 amended to read as follows:

10 “(b) On and after the enactment of this Act, and
11 so long as it remains in effect, the Federal Trade Com-
12 mission shall have no power or jurisdiction so far as relating
13 to any matter which is made subject to the jurisdiction of the
14 Secretary—

15 “(1) by title II of this Act if it concerns either
16 (i) livestock or live poultry, or (ii) any other product
17 in a form other than one in which it is marketed by
18 the packer, poultry dealer, or poultry handler; or

19 “(2) by titles III or V of this Act,
20 except in cases in which, before the enactment of this Act,
21 complaint has been served under section 5 of the Act en-
22 titled ‘An Act to create a Federal Trade Commission, to
23 define its powers and duties, and for other purposes,’ ap-
24 proved September 26, 1914, or under section 11 of the
25 Act entitled ‘An Act to supplement existing laws against un-

1 lawful restraints and monopolies, and for other purposes,
2 approved October 15, 1914, and except when the Secretary
3 of Agriculture, in the exercise of his duties hereunder, shall
4 request of the said Federal Trade Commission that it make
5 investigations and report in any case. The Secretary and the
6 Federal Trade Commission shall maintain such liaison as is
7 necessary to avoid unnecessary duplication of effort in the
8 field covered by this Act. Each shall give immediate notice
9 to the other of the filing of a complaint by either agency
10 with respect to any matter over which both have jurisdic-
11 tion, and thereafter the other shall not institute proceed-
12 ings covering the same matter.”

13 The amendment made by this subsection shall be effec-
14 tive only during the three-year period beginning with the
15 date of enactment of this Act, except that it shall continue
16 effective thereafter with respect to complaints filed by either
17 agency during such three-year period.

18 (c) Section 202 of the Packers and Stockyards Act,
19 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.
20 181 and the following), is amended by inserting after the
21 word “unlawful” the words “with respect to livestock, meats,
22 meat food products, livestock products in unmanufactured
23 form, poultry, or poultry products”.

24 (d) Section 201 of the Packers and Stockyards Act,
25 1921, as amended (42 Stat. 159, as amended; 7 U. S. C.

1 181 and the following), is amended by inserting at the end
2 thereof the following: "A change in any person's status as
3 a packer or live poultry dealer or handler after a transaction
4 or act has occurred shall not affect the authority or jurisdic-
5 tion of the Secretary or the Federal Trade Commission to
6 institute proceedings and issue orders based upon such trans-
7 action or act applicable to such person or such action as may
8 be provided by law for the enforcement of such orders."

9 (e) The caption to title III, appearing immediately
10 before section 301 of such Act (42 Stat. 163; 7 U. S. C.
11 201) is amended by adding, immediately following the word
12 "Stockyard", the words "And Livestock Transactions".

13 (f) Section 301 (c), section 301 (d), and section 312
14 (a) of title III of such Act (42 Stat. 163 and 167; 7
15 U. S. C. 201 and 213) are amended by striking out in each
16 such section, wherever they appear, the words "at a
17 stockyard".

18 (g) Section 302 (a) of title III of such Act (42 Stat.
19 163; 7 U. S. C. 202a) is amended by striking out the last
20 sentence thereof.

21 (h) Section 303 of title III of such Act (42 Stat. 163;
22 7 U. S. C. 203) is amended by inserting after the first
23 sentence thereof the following sentence: "Every other
24 person operating as a market agency or dealer as defined

1 in section 301 of the Act may be required to register in
2 such manner as the Secretary may prescribe.”

3 (i) Section 311 of title III of such Act (42 Stat. 167;
4 7 U. S. C. 212) is amended by striking out the words
5 “stockyard owner or market agency” wherever they occur
6 and inserting “stockyard owner, market agency, or dealer”,
7 and by striking out “stockyard owners or market agencies”
8 and inserting “stockyard owners, market agencies, or
9 dealers”.

Passed the Senate May 15, 1958.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes.

AUGUST 16, 1958

Ordered to be printed as passed

85TH CONGRESS
2D SESSION

H. R. 9020

IN THE SENATE OF THE UNITED STATES

AUGUST 16, 1958

Ordered to be printed as passed the House of Representatives

AN ACT

To amend the Packers and Stockyards Act, 1921, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Packers and Stockyards Act, 1921, as amended (42
4 Stat. 159, as amended; 7 U. S. C. 181 and the following), is
5 amended as follows:

6 (1) By amending section 202 by inserting after
7 the word "unlawful" the words "with respect to live-
8 stock, meats, meat food products, livestock products in
9 unmanufactured form, poultry, or poultry products".

10 (2) By amending section 406 by striking out sub-
11 section (b) and inserting in lieu thereof the following:

1 “(b) The Federal Trade Commission shall have power
2 and jurisdiction over any matter involving meat, meat food
3 products, livestock products in unmanufactured form, or poul-
4 try products, which by this Act is made subject to the power
5 or jurisdiction of the Secretary, as follows:

6 “(1) When the Secretary in the exercise of his duties
7 requests of the Commission that it make investigations and
8 reports in any case.

9 “(2) In any investigation of, or proceeding for the
10 prevention of, an alleged violation of any Act administered
11 by the Commission, arising out of acts or transactions in-
12 volving meat, meat food products, livestock products in
13 unmanufactured form, or poultry products, if the Commission
14 determines that effective exercise of its power or jurisdiction
15 with respect to retail sales of any such commodities is or will
16 be impaired by the absence of power or jurisdiction over all
17 acts or transactions involving such commodities in such in-
18 vestigation or proceeding. In order to avoid unnecessary
19 duplication of effort by the Government and burdens upon
20 the industry, the Commission shall notify the Secretary of
21 such determination, the reasons therefor, and the acts or
22 transactions involved, and shall not exercise power or juris-
23 diction with regard to acts or transactions (other than retail
24 sales) involving such commodities if the Secretary within
25 ten days from the date of receipt of the notice notifies the

1 Commission that there is pending in his Department an
2 investigation of, or proceeding for the prevention of, an
3 alleged violation of this Act involving the same subject
4 matter.

5 “(3) Over all transactions in commerce in margarine or
6 oleomargarine and over retail sales of meat, meat food
7 products, livestock products in unmanufactured form, and
8 poultry products.

9 “(c) The Federal Trade Commission shall have no
10 power or jurisdiction over any matter which by this Act
11 is made subject to the jurisdiction of the Secretary, except
12 as provided in subsection (b) of this section.

13 “(d) The Secretary of Agriculture shall exercise power
14 or jurisdiction over oleomargarine or retail sales of meat,
15 meat food products, livestock products in unmanufactured
16 form, or poultry products only when he determines, in any
17 investigation of, or any proceeding for the prevention of, an
18 alleged violation of this Act, that such action is necessary
19 to avoid impairment of his power or jurisdiction over acts or
20 transactions involving livestock, meat, meat food products,
21 livestock products in unmanufactured form, poultry or poul-
22 try products, other than retail sales thereof. In order to
23 avoid unnecessary duplication of effort by the Government
24 and burdens upon the industry, the Secretary shall notify
25 the Federal Trade Commission of such determination, the

1 reasons therefor, and the acts or transactions involved, and
 2 shall not exercise power or jurisdiction with respect to acts
 3 or transactions involving oleomargarine or retail sales of
 4 meat, meat food products, livestock products in unmanu-
 5 factured form, or poultry products if the Commission within
 6 ten days from the date of receipt of such notice notifies the
 7 Secretary that there is pending in the Commission an investi-
 8 gation of, or proceeding for the prevention of, an alleged
 9 violation of any Act administered by the Commission involv-
 10 ing the same subject matter.

11 “(e) The Secretary of Agriculture and the Federal
 12 Trade Commission shall include in their respective annual
 13 reports information with respect to the administration of
 14 subsections (b) and (d) of this section.”

15 SEC. 2. Said Act is further amended—

16 (1) by striking out the words “at a stockyard”
 17 from sections 301 (c) and 301 (d) ;

18 (2) by striking out the last sentence of section 302

19 (a) : *Provided, however,* That nothing herein shall be
 20 deemed a definition of the term “public stockyards” as
 21 used in section 15 (5) of the Interstate Commerce Act;

22 (3) by inserting after the first sentence in section
 23 303 the following sentence: “Every other person operat-

1 ing as a market agency or dealer as defined in section
2 301 of the Act may be required to register in such
3 manner as the Secretary may prescribe.”;

4 (4) by amending section 311 by striking out the
5 words “stockyard owner or market agency” wherever
6 they occur and inserting “stockyard owner, market
7 agency, or dealer” and by striking out “stockyard
8 owners or market agencies” and inserting “stockyard
9 owners, market agencies, or dealers”;

10 (5) by striking out the words “at a stockyard”
11 from section 312 (a).

12 SEC. 3. Subsection 6 of section 5 (a) of the Federal
13 Trade Commission Act (15 U. S. C. 45 (a) (6)) is
14 amended by striking out “persons, partnerships or corpora-
15 tions subject to the Packers and Stockyards Act, 1921, ex-
16 cept as provided in section 406 (b) of said Act”, and sub-
17 stituting therefor the following: “persons, partnerships, or
18 corporations insofar as they are subject to the Packers and
19 Stockyards Act, 1921, as amended, except as provided
20 in section 406 (b) of said Act”.

21 SEC. 4. Section 407 of the Packers and Stockyards Act,
22 1921, as amended, is amended (1) by inserting “(a)”

1 immediately after "Sec. 407." and (2) by adding at the
2 end thereof the following new subsection:

3 “(b) The Secretary shall maintain within the Depart-
4 ment of Agriculture a separate enforcement unit to admin-
5 ister and enforce title II of this Act.”

Passed the House of Representatives August 12, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To amend the Packers and Stockyards Act, 1921, as amended, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 16, 1958

Ordered to be printed as passed the House of
Representatives

"The conferees are also aware of the problem having to do with the exporting of wheat from Canada and other friendly nations. Accordingly, it has directed the Secretary to endeavor to cooperate with these countries with respect to commodities governed by formal, multilateral international marketing agreements to which the United States is a party. As a practical thing, the international wheat agreements are the only ones affected by this language and even though it might temporarily reduce by some 40 percent the ability of the United States to dispose of wheat through barter, it was the sense of the conferees that mutually agreeable plans should be worked out with Canada and other signatories of appropriate agreements.

"Furthermore, the conferees have recognized the economic and security factors in accepting domestically processed materials in lieu of ore. While the present law is silent on the subject, for a long time barter contracts were made for domestically processed materials. For some reason this program was stopped. It was the sense of the conferees that American labor and management should be permitted to participate in the barter program. Accordingly the bill specifically authorizes the Secretary to permit the processing of foreign ores by domestic processors. The House provision that alloys produced from domestic ores could be taken was eliminated from the bill.

"As we have stated above, the substantive changes in the law, while significant, are not nearly as significant as the fundamental fact that the Congress has felt it necessary to enact legislation to require performance of a program which it has previously established by law. This bill is designed to reinstate a barter program of at least the magnitude followed prior to the restrictive regulations issued by the Secretary of Agriculture. Not only will the assets and resources of our country be improved through this program, but there will be substantial savings in storage and depreciation costs, and the value of the materials taken in exchange for the commodities will increase as world supplies diminish."

2. DISASTER LOANS. Passed with amendment S. 304, to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas. Rep. Cooley explained that as passed by the Senate the bill "provided that the States' participation would be to the extent of not less than 25 percent or more than 50 percent" and that the bill as amended by the House "provides that the participation shall be not in excess of 10 per centum, as the Secretary of Agriculture shall determine to be equitable of that part of the cost, including transportation of such feed or seed which is not paid by the recipients thereof." p. 17679

3. APPROPRIATIONS. Passed under suspension of the rules H. R. 13856, the independent offices appropriation bill for 1959. The bill deletes the \$589 million item for the civil service retirement fund to which the President objected when he vetoed the original appropriation bill for these agencies. The bill was reported earlier in the day by the Appropriations Committee (H. Rept. 2689). pp. 17631, 17634-6, 17715

Received the conference report on H. R. 13489, the military construction appropriation bill for 1959 (H. Rept. 2699). pp. 17666-7, 17715

4. PERSONNEL. Agreed to the conference report on S. 1411, to give agencies discretion in suspending or retaining on duty Federal employees prior to security hearings. (pp. 17636-7) See Digest 146 for provisions of this bill.

Both Houses received and agreed to the conference report on S. 25, to specify the effective date upon which changes in pay of wage-board employees shall begin following the start of a survey (H. Rept. 2691). (pp. 17590, 17637-8, 17715) This bill will now be sent to the President.

Agreed to the conference report on H.R. 7710, to provide for the lump-sum payment of all accumulated and accrued leave of certain deceased employees. (pp. 17638-9) This bill will now be sent to the President.

5. RESEARCH. Passed under suspension of the rules S. 4039, to authorize the head of any Government agency now making contracts for research to grant funds for the support of such research. (pp. 17656-7) The Senate later concurred in the House amendments to this bill. (p. 17599) This bill will now be sent to the President.
6. TEXTILE LABELING. Both Houses received and agreed to the conference report on H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products (H. Rept. 2695). (pp. 17589-90, 17680-1, 17715) This bill will now be sent to the President.
7. LIVESTOCK DISEASES. Concurred in the Senate amendments to H. R. 12126, to extend to wild animals the same prohibition against entry into the U. S. as domestic animals from any country where rinderpest or foot-and-mouth disease exists. (p. 17685) This bill will now be sent to the President.
8. GRAZING PERMITS. Rep. Dingell stated that he objected to enactment of S. 3754, to permit the exchange of lands between Interior and the Navajo Indians, because of a provision in the bill providing for the compensation of owners of grazing permits on public land for the termination of their permits. p. 17696
9. SURPLUS COMMODITIES. Received from this Department the annual report of the Secretary on the orderly liquidation of commodities held by CCC and on programs to expand agricultural markets, pursuant to Public Law 540, 84th Congress. p. 17715
10. LEGISLATIVE PROGRAM. Rep. Albert announced that the Consent Calendar and Private Calendar would be called Sat., Aug. 23. p. 17685

SENATE - August 22

11. MEATPACKERS. Passed without amendment H. R. 9020, to transfer certain functions under the Packers and Stockyards Act from this Department to the Federal Trade Commission. (pp. 17599-600) This bill will now be sent to the President.
12. AREA REDEVELOPMENT. Concurred in the House amendments to S. 3683, to establish a program to alleviate conditions of substantial unemployment or underemployment in certain economically depressed areas. This bill will now be sent to the President. pp. 17601-4
Sen. Douglas explained the House amendments as follows: "The major amendments of the House were as follows:
"First, the House in accordance with its general insistence upon keeping the added check of the appropriation procedure upon such financing programs, amended the proposed industrial and rural area loan funds to an authorization for appropriations for funds for such loans;
"Second, the House deleted the Senate provision (sec. 7) for a \$100 million loan fund for public facilities to aid in attracting private enterprises to these areas;
"Third, the House deleted a Senate provision (sec. 17) for the payment of retraining payments to persons not entitled to unemployment compensation, who are receiving training for a new job.
"Other changes made by the House included: (a) a prohibition against any public facility grant that would compete with an existing private utility; (b) a requirement that each recipient of assistance keep prescribed records, subject to review by the Commissioner and the Comptroller General; (c) a revision of the wording in the provision in respect to plant relocation; (d)

H. R. 13173, introduced by the majority leader of the other House, Mr. McCORMACK.

As I understand, the administration has no opposition to the bill, according to Mr. STAM, counsel of the Committee on Finance. I believe the Treasury Department recognizes that the Internal Revenue Code should be amended to adjust an inequity which has grown out of an apparent inadvertence on the part of Congress at the time of the preparation and adoption of the Internal Revenue Code. The amendment is directed toward claims for refund which arise out of the renegotiation proceedings. There are plants in the State of Minnesota which are affected. I have a letter indicating the nature of one of the problems which have arisen as a result of the inequity in our present tax laws on the subject of renegotiation and the refunds which have accrued under such renegotiation. I shall read a paragraph from the letter from one company which is affected. It states:

The allocation by the Board to X Co. of excessive profits of approximately \$1,600,000 results in its having an operating loss for the year and consequently a net operating loss carryback to the year 1952. This would ordinarily give rise to a claim for refund for overpayment of tax in 1952, but by this late date, under existing law, the statute of limitations has run on the right to obtain such refund and the net operating loss carryback is worthless.

In other words, under present tax law there is what is called an operating loss carryback provision, which can be utilized to make adjustments when renegotiation board decisions have resulted in a substantial operating loss.

In this particular instance it means a difference in tax credit of many thousands of dollars for the one company I have mentioned. This is only one of many such instances. It is something which, it seems to me, should be corrected.

"I know the argument can be made, 'Well, let us do it next year.' That may be a very good suggestion. But each year that we put off these matters we apply the old maxim: 'Justice delayed is justice denied.' It becomes ever more true.

So, since the other House has passed the bill, I believe unanimously, and since it was reported by the House Committee on Ways and Means unanimously, and there seems to be no adverse report on the part of the administration, the Bureau of the Budget, the Treasury, or the Internal Revenue Service, it seems to me it is desirable and proper to include this amendment in the bill before the Senate, the extension of the Renegotiation Act.

I feel certain there would be no objection in the House, because this is a House bill, which has been prepared in the form of an amendment to a Senate bill. Therefore, I ask that the amendment be adopted.

Mr. BYRD. I do not wish to prejudice the amendment offered by the Senator from Minnesota, but I hope he will not press too hard to place it in the bill. My objection is that the amendment is retroactive. It opens up closed cases. It goes back to 1953. If we go back to 1953 to open up such cases, then, it seems to

me, we should go back to the beginning of the Renegotiation Act, which was about 1941. Why stop at 1953?

As a member of the Committee on Finance, I have always been very careful to consider any proposed retroactive legislation which will open up closed cases. If that is done in one case, it will have to be done in others. I can see no justification for going back to 1953, because the Renegotiation Act first became effective in 1941. Cases can be found in 1952, 1950, and 1945.

The Committee on Finance will be glad to give consideration to the proposed legislation when Congress next convenes, but I hope such a provision will not be included in the present bill. This is not a tax bill; it relates to the extending of the Renegotiation Act for a period of 6 months. I certainly am opposed to including a retroactive feature without full hearings having first been held by the committee.

Mr. HUMPHREY. Mr. President, I appreciate the views of the Senator from Virginia. I know he is sympathetic to the general purposes of this particular proposal. Rather than have the proposal prejudiced by an adverse vote, which I am afraid might result because of our great respect for the views of the Senator from Virginia on technical matters, I shall urge that the chairman of the committee give me assurance now that in the next Congress, with the reintroduction of this particular measure, prompt consideration will be given to it, consideration which, I trust, will result in favorable action.

Mr. BYRD. I shall be glad to give that assurance.

Mr. HUMPHREY. The Senator from Virginia gives me that assurance. On that basis, I withdraw my amendment. I appreciate the courtesy of the Senator from Virginia in giving me this assurance and consideration. I wanted to get the matter before the Senate, because I think we have a just case.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 11479) was ordered to a third reading, read the third time, and passed.

Mr. BYRD. Mr. President, I move that the Senate insist its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer [Mr. TALMADGE in the chair] appointed Mr. BYRD, Mr. KERR, Mr. FREAR, Mr. MARTIN of Pennsylvania, and Mr. WILLIAMS conferees on the part of the Senate.

ESTATE OF A. A. ALEXANDER

Mr. KNOWLAND. Mr. President, at the request of, and after consultation with, the majority leader, I have been asked to move that the Senate proceed to the consideration of Calendar 2517, H. R. 9262, which is a private claim bill. The purpose of the proposed legislation

is to pay the estate of A. A. Alexander the sum of \$1,131.50 in settlement of all claims against the United States based on damage done to furniture and household goods belonging to the late A. A. Alexander when that property was shipped from the Territory of the Virgin Islands when Mr. Alexander resigned as Governor of the Territory.

The report of the committee shows that the Department of the Interior has written a letter concerning his claim. The Bureau of the Budget has no objection.

When the bill was called on the call of the calendar the other day, an objection was entered by the majority calendar committee. The Senator from Iowa [Mr. MARTIN] tells me that he has discussed the matter with the Senator from Pennsylvania [Mr. CLARK], who has no objection to having the matter taken up on motion. Therefore, I move that the Senate proceed to the consideration of Calendar 2517, H. R. 9262.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 9262) for the relief of the estate of A. A. Alexander.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXPENDITURE OF FUNDS THROUGH GRANTS FOR SUPPORT OF SCIENTIFIC RESEARCH

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4039) to authorize the expenditure of funds through grants for support of scientific research, and for other purposes, which were, on page 1, line 4, strike out "engaged in making" and insert "authorized to enter into"; on page 2, line 13, strike out "Committee on Appropriations and to the Committees on Government Operations" and insert "appropriate committees"; and on page 2, line 17, strike out "section 1" and insert "the first section."

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the amendments of the House. They are technical in nature and in no way change the substance or purpose of the bill.

The PRESIDING OFFICER. The question is on concurring in the amendments of the House.

The amendments were concurred in.

AMENDMENT OF PACKERS AND STOCKYARDS ACT, 1921, AS AMENDED

Mr. O'MAHONEY. Mr. President, after consultation with the leaders on both sides, with the members of the

Committee on the Judiciary, and with the distinguished Senator from Illinois [Mr. DIRKSEN], I move that the Senate proceed to the consideration of H. R. 9020.

The PRESIDING OFFICER (Mr. TALMADGE in the chair) laid before the Senate the bill (H. R. 9020) to amend the Packers and Stockyards Act, 1941, as amended, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. O'MAHONEY. Mr. President, on May 15, the Senate passed a bill amending the Packers and Stockyards Act. The bill was introduced by the Senator from Utah [Mr. WATKINS] and myself. Hearings were held by the Committee on the Judiciary. After long consideration, the measure was passed by the Senate and sent to the House.

The House, however, did not act upon the Senate bill. The problem of amending the Packers and Stockyards Act was considered by both the Committee on the Judiciary and the Committee on Agriculture and Forestry. Indeed, I think the Committee on Interstate and Foreign Commerce also gave consideration to the measure. But instead of taking up the Senate bill and amending it, the House passed its own bill, H. R. 9020.

I have consulted, as I said, with the Senator from Illinois [Mr. DIRKSEN], the Senator from Utah [Mr. WATKINS], and the leadership on both sides. I am now prepared to ask that the Senate pass H. R. 9020.

The result of the debate, of the action of the Senate, and the consideration of the problem in the committees of both Houses will be an improvement in the present law. I think it would be a mistake to allow this Congress to adjourn without having taken action in the nature of progress as contained in the bill.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WATKINS. As a matter of fact, a part of the Senate bill, at least, is embodied in the House bill. I refer to the part with respect to chainstores.

Mr. O'MAHONEY. Yes. The loophole in the present law, by which chainstores escape regulation by the Federal Trade Commission on nonmeat products, is closed in the House bill.

Mr. WATKINS. At least that much progress will be made if the House bill shall be passed.

Mr. O'MAHONEY. That much progress will be made. The Federal Trade Commission is given authority to regulate oleomargarine, margarine, and the so-called hot pursuit amendment, as is provided by the House bill.

By that, it is meant that concurrent jurisdiction between the Federal Trade Commission and the Department of Agriculture is preserved. In one case, the Federal Trade Commission, before proceeding, will consult the Secretary of Agriculture; in the other case, the Secretary of Agriculture, before proceeding, will consult the Federal Trade Commis-

sion—so as to avoid duplication. This provision constitutes progress; and I believe the provision should be retained.

Mr. WATKINS. I should like to say that, although it constitutes progress, I hope that sometime we are able to have enacted into law the remaining provisions of the bill which was passed by the Senate. But we shall have to deal with them at some other time.

Mr. O'MAHONEY. Yes; at another session of Congress.

Mr. DIRKSEN. Mr. President, will the Senator from Wyoming yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I yield.

Mr. DIRKSEN. I think the bill provides for a rather agreeable division of jurisdiction between the Federal Trade Commission and the Department of Agriculture. I know the bill is acceptable to the House, and I know that the agencies concerned can well live with the provisions of the bill.

So I am agreeable to the request of the Senator from Wyoming that the bill be passed. After the bill is passed, if any weaknesses develop, or if, under the provisions of the bill, a satisfactory job is not done, I shall join him, next year, in proposing improvements in the program.

Mr. O'MAHONEY. Mr. President, the Senator from Illinois is very kind; and, naturally, what he has stated will be the purpose of the subcommittee in charge of the bill.

Mr. President, I call for the third reading and passage of the bill.

The PRESIDING OFFICER. If there is no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 9020) was ordered to a third reading, read the third time, and passed.

AMENDMENT OF VIRGIN ISLANDS CORPORATION ACT—CONFERENCE REPORT

Mr. JACKSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12226) to amend the Virgin Islands Corporation Act (63 Stat. 350), and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. CURTIS. Mr. President, reserving the right to object—although I shall not object—may we have an explanation of the report?

Mr. JACKSON. Certainly.

Let me say that the report makes two changes in the bill as passed by the Senate.

The first change the report makes is in the provision voted by the Senate in regard to the saline water distillation plant to be built by the Virgin Islands Corporation. The Senate conferees agreed to delete specific reference to the power features of the saline water distillation plant to be built by the Virgin Islands Corporation. Such reference in the bill is unnecessary, because the Corporation has authority, under existing law, to construct and operate power facilities.

The other change pertains to the sale of the corporate assets. Under the Senate version, such sales of assets would have to be made at public auction. Under the conference report, such sales, when in a value exceeding \$500, could be made at public auction or pursuant to sealed bids, after public advertisement in either case. Sales of assets amounting to less than \$500 could be consummated without public auction or competitive bids. The word "property," as used in the conferees' version of the Senate amendment No. 2, refers to assets of the Corporation, not to products grown or produced in the Corporation's business.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question now is on agreeing to the report. The report was agreed to.

AUTHORIZATION FOR SELECT COMMITTEE ON SMALL BUSINESS TO FILE TWO REPORTS DURING THE SINE DIE ADJOURNMENT

Mr. SMATHERS. Mr. President, on behalf of the Select Committee on Small Business, I ask unanimous consent that the committee be given authority to file two reports during the sine die adjournment of Congress. The first of these reports will be entitled "The Role of Small Business in Defense Missile Procurement"; the second will be entitled "Government Procurement—1958."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? Without objection, it is so ordered.

SECOND ANNUAL CONGRESS ON BETTER LIVING

Mr. SMATHERS. Mr. President, I should like to call attention to a unique event which will take place here in Washington next October, and which deserves advance recognition, since we shall not be in session at that time.

From October 6 through October 8, 100 housewives from the 48 States and Alaska will attend the second annual Congress on Better Living. This congress consists of women delegates who represent the families of America, and whose chief aim is to further the link between American industry and those families and their needs in the constant search for new and more universal ways of better living. The Congress on Better Living was developed from the pioneer ef-

Public Law 85-909
85th Congress, H. R. 9020
September 2, 1958

AN ACT

To amend the Packers and Stockyards Act, 1921, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act, 1921, as amended (42 Stat. 159, as amended; 7 U. S. C. 181 and the following), is amended as follows:

Packers and
Stockyards
Act, 1921,
amendments.
Unlawful
practices.
7 USC 192.

(1) By amending section 202 by inserting after the word "unlawful" the words "with respect to livestock, meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products".

(2) By amending section 406 by striking out subsection (b) and inserting in lieu thereof the following:

Powers of FTC.
7 USC 226,
227.

"(b) The Federal Trade Commission shall have power and jurisdiction over any matter involving meat, meat food products, livestock products in unmanufactured form, or poultry products, which by this Act is made subject to the power or jurisdiction of the Secretary, as follows:

"(1) When the Secretary in the exercise of his duties requests of the Commission that it make investigations and reports in any case.

"(2) In any investigation of, or proceeding for the prevention of, an alleged violation of any Act administered by the Commission, arising out of acts or transactions involving meat, meat food products, livestock products in unmanufactured form, or poultry products, if the Commission determines that effective exercise of its power or jurisdiction with respect to retail sales of any such commodities is or will be impaired by the absence of power or jurisdiction over all acts or transactions involving such commodities in such investigation or proceeding. In order to avoid unnecessary duplication of effort by the Government and burdens upon the industry, the Commissioner shall notify the Secretary of such determination, the reasons therefor, and the acts or transactions involved, and shall not exercise power or jurisdiction with regard to acts or transactions (other than retail sales) involving such commodities if the Secretary within ten days from the date of receipt of the notice notifies the Commission that there is pending in his Department an investigation of, or proceeding for the prevention of, an alleged violation of this Act involving the same subject matter.

"(3) Over all transactions in commerce in margarine or oleomargarine and over retail sales of meat, meat food products, livestock products in unmanufactured form, and poultry products.

72 Stat. 1749.

"(c) The Federal Trade Commission shall have no power or jurisdiction over any matter which by this Act is made subject to the jurisdiction of the Secretary, except as provided in subsection (b) of this section.

72 Stat. 1750.

"(d) The Secretary of Agriculture shall exercise power or jurisdiction over oleomargarine or retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products only when he determines, in any investigation of, or any proceeding for the prevention of, an alleged violation of this Act, that such action is necessary to avoid impairment of his power or jurisdiction over acts or transactions involving live-

stock, meat, meat food products, livestock products in unmanufactured form, poultry or poultry products, other than retail sales thereof. In order to avoid unnecessary duplication of effort by the Government and burdens upon the industry, the Secretary shall notify the Federal Trade Commission of such determination, the reasons therefor, and the acts or transactions involved, and shall not exercise power or jurisdiction with respect to acts or transactions involving oleomargarine or retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products if the Commission within ten days from the date of receipt of such notice notifies the Secretary that there is pending in the Commission an investigation of, or proceeding for the prevention of, an alleged violation of any Act administered by the Commission involving the same subject matter.

Reports.

“(e) The Secretary of Agriculture and the Federal Trade Commission shall include in their respective annual reports information with respect to the administration of subsections (b) and (d) of this section.”

SEC. 2. Said Act is further amended—

(1) by striking out the words “at a stockyard” from sections 301 (c) and 301 (d) ;

(2) by striking out the last sentence of section 302 (a) : *Provided, however,* That nothing herein shall be deemed a definition of the term “public stockyards” as used in section 15 (5) of the Interstate Commerce Act;

(3) by inserting after the first sentence in section 303 the following sentence: “Every other person operating as a market agency or dealer as defined in section 301 of the Act may be required to register in such manner as the Secretary may prescribe.”;

(4) by amending section 311 by striking out the words “stockyard owner or market agency” wherever they occur and inserting “stockyard owner, market agency, or dealer” and by striking out “stockyard owners or market agencies” and inserting “stockyard owners, market agencies, or dealers”;

(5) by striking out the words “at a stockyard” from section 312 (a).

SEC. 3. Subsection 6 of section 5 (a) of the Federal Trade Commission Act (15 U. S. C. 45 (a) (6)) is amended by striking out “persons, partnerships or corporations subject to the Packers and Stockyards Act, 1921, except as provided in section 406 (b) of said Act”, and substituting therefor the following: “persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act, 1921, as amended, except as provided in section 406 (b) of said Act”.

SEC. 4. Section 407 of the Packers and Stockyards Act, 1921, as amended, is amended (1) by inserting “(a)” immediately after “Sec. 407.” and (2) by adding at the end thereof the following new subsection:

“(b) The Secretary shall maintain within the Department of Agriculture a separate enforcement unit to administer and enforce title II of this Act.”

Approved September 2, 1958.

